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Daily Report

Central Eurasia

FBIS-SOV-95-217
Thursday
9 November 1995

Daily Report
Central Eurasia

FBIS-SOV-95-217

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Key Developments

Pensioners To Back Chernomyrdin Bloc in Duma Election

MM0911114395 Moscow RABOCHAYA TRIBUNA in Russian 9 Nov 95 p 1

[Unattributed report: "Old People Like Viktor Chernomyrdin's Thoroughness. The Union of Pensioners of Russia Intends To Cast Its Votes for the 'Russia Is Our Home' Electoral Bloc in the Upcoming Elections"]

[FBIS Translated Text] "I do not quite understand why pensioners are considered the Communists' traditional electorate. Our country's sober-minded elderly people, including the Union of Pensioners of Russia [SPR], will cast their votes for the 'Russia Is Our Home' [NDR] electoral bloc in the upcoming elections." SPR Central Board Chairman Anatoliy Glazov stated this at a news conference held yesterday.

I am convinced, Glazov emphasized, that a sizable proportion of pensioners, who are endeavoring to comprehend what is happening and to assess the changes that have been occurring in our society in recent years, will in the end vote for changes. Among the reasons that have prompted the SPR to support the NDR its chairman noted "the most constructive and serious approach" of the bloc and its leader, Viktor Chernomyrdin, "to the needs and aspirations of pensioners."

Anatoliy Glazov named among Viktor Chernomyrdin's first steps toward elderly people and their needs the repayment of the state debt to the Russian Federation Pension Fund, the finding of over 7 trillion rubles for the indexation of pensions, the creation of a commission to compensate citizens' devalued savings, and the drawing up of draft laws on single pensioners and on free transportation.

In addition, Anatoliy Glazov named another two "specifically old people's" reasons, you might say, for the likelihood of pensioners' choosing the NDR. They are, according to him, "fear of a new broom, since it is not yet known how it will sweep," and the "thoroughness" of Premier Viktor Chernomyrdin himself.

Rybkin Believes in Success of His Election Bloc

LD0911114195 Moscow ITAR-TASS in English 1100 GMT 9 Nov 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, November 9 (Itar-Tass) — Duma Speaker Ivan Rybkin, leader of an election bloc bearing his name, believes that it "has every chance to become a major political force in the future State Duma". He expressed this view here today, addressing the bloc's conference. Rybkin is convinced that "the bloc has not only acquired a firm footing, but has a huge political potential, too".

"In spite of the noisy withdrawals of some political forces from our bloc," he stressed, "we have passed all the tests with flying colours."

Rybkin pointed out that the bloc had collected several times more signatures than necessary to register its federal list of nominees. This list includes the names of 189 candidates to the future Duma. The bloc is represnted by 72 candidates in the single-mandate constituencies.

Rybkin noted that the idea of setting up two centrist election blocs "could not be implemented as initially planned". The number of blocs already registered by the Central Election Commission shows that "the country's electorate will be even more split up than two years ago".

Rybkin also stressed that, in his opinion, "the future Duma will be more fragmentized and more opposed to the President than today's lower house".

Outlining the main purposes of his bloc, Rybkin said: "We realise the inevitability of the process of Russia's reformation. We back the reforms and are against the restoration of outlived models of social and economic conscience." However, he pointed out that the bloc wanted the reforms "to be carried out in the interests of the people".

"Our adherence to the principles of public concord does not rule out severe criticism of the current authorities' rash actions," he stated.

New Communist Electoral Bloc's Registration Reported

MM0911103595 Moscow PRAVDA in Russian 9 Nov 95 p 1

[Report by Sergey Chernyakhovskiy: "Holiday Gift for Communists"]

[FBIS Translated Text] After registering the electoral associations "CPRF [Communist Party of the Russian Federation]," "APR [Agrarian Party of Russia]," and "Power to the People!", the Central Electoral Commission registered another opposition electoral bloc on the eve of the 78th anniversary of the Great October Socialist Revolution. The association is "Communists, Working People, For the Soviet Union."

This electoral bloc consists of the Russian Communist Workers Party [RCWP], the Russian Party of Communists, the Russian Organization of the CPSU, and a number of social movements of a left orientation. The signature lists that our association submitted to the Central Electoral Commission had a substantial safety margin — the commission deemed 480,000 signatures valid. In addition, over 300,000 signatures were collected in support of our candidates in single-seat territorial districts.

At a meeting with journalists, the bloc's leaders — V. Tyulkin, first secretary of the RCWP Central Committee; A. Kryuchkov, chairman of the Russian Party of Communists Political Council; and A. Prigarin, first secretary of the Russian Organization of the CPSU Central Committee — stressed that their priority is not mere presence in the Duma but the broadening of ties with labor collectives during the election campaign and in their work as deputies.

I want to stress that, in percentage terms, our bloc has a larger proportion of workers among its candidate deputies than the other associations and the highest proportion from the scientific and technical intelligentsia. On the other hand it has no representatives of officialdom or entrepreneurs.

Supreme Court Backs 'Yabloko,' Rebuffs Ryabov

MK0911101195 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 5 Nov p 1

[Report by Vladimir Novikov: "Subject for a Detective Story. Ryabov's Agency Is a Total Loser"]

[FBIS Translated Text] The Supreme Court of Russia, on the very first day of hearings, handed down its final ruling: to satisfy the appeal of "Derzhava," earlier "rejected" by the Central Electoral Commission [TsIK], and to oblige the TsIK to register Rutskoy's movement no later than 5 November (inclusive).

The Supreme Court failed, however, to consider "Yabloko's" complaint as promptly as in the above case because of an abundance of additional information and a great number of witnesses. Their interrogation took almost the whole first day of the hearing. That day, the Supreme Court meeting started with a nearly one-hour examination by the "offended" party of the TsIK-submitted transcript and the protocol of the meeting at which the Yavlinskiyites were refused registration.

A bolt out of the blue came, however, only some time later, after Grigoriy Yavlinskiy's ardent and emotional speech. It turned out that, two days before the registration, a TsIK staffer had tried confidentially to talk one of "Yabloko's" candidates (Valeriy Galchenko, deputy chairman of the Moscow Oblast Duma) into writing a statement that he had been put on the association slate without his knowledge. A good subject for a detective story!

This embarrassing situation, however, was not the end of the story. It turned out that the TsIK's decision whereby "Yabloko" was refused registration had been made even without a draft resolution. TsIK officials kept saying that they only followed the letter of the law. As in the "Derzhava" case, however, their arguments were quite unconvincing compared with those of the "victim."

The facts disclosed in the course of the trial are too scandalous, and they undermine the reputation, above all, of Ryabov himself and his team. The TsIK head must not have expected that the events could take such a turn, otherwise he would not have waited for the court to reveal "new details." He could, however, be simply ignorant of what was happening behind his back, and he was merely made a scapegoat.

As a result, both trials confirmed the TsIK's ineptness. Instead of simply registering those who wished to participate, Ryabov and his colleagues engaged in arbitrary interpretation of the electoral law. The new scandals that emerged during the trials only suggest that, first of all, the TsIK head or even the whole commission may be replaced. The chances for this, however, are rather slim....

In their turn, Yavlinskiy and his friends displayed to the Supreme Court all of their trump cards when they showed that the TsIK, in some cases, had violated not only associations' electoral rights but even those of common people.

As a result, the Supreme Court made a ruling that the "Yabloko" bloc should be registered no later than 7 November. As for the rest, this is a matter for the General Prosecutor's Office.

Women of Russia Profiled, Platform Viewed

MM0811160895 Moscow IZVESTIYA in Russian 5 Nov 95 p 4

[IZVESTIYA Analysis Center article under the "Elections-95: Portrait of a Contender" rubric: "Moderate, Cautious, Practical. The Women of Russia Movement Acquired This Reputation As a Result of Tough Political Pragmatism"]

[FBIS Translated Text] "Any future organs of legislative authority must comprise at least 35 percent women." (From a speech by Ye. Lakhovo on 18 September 1995 in Rostov-na-Donu).

Movement's motto: "No democracy without women!"

Emblem: Sunflower with nine petals against a blue sky.

Women of Russia Political Movement

The Women of Russia movement was formed on the eve of the last parliamentary elections on 14 October 1993, practically at the same time as the Women of Russia electoral association was set up. Essentially it was a union of three public associations: the Union of Russian Women (former Committee of Soviet Women, with A. Fedulova as leader), the Association of Businesswomen (led by T. Malyutina), and the Union of Navy Women (led by M. Dobrovolskaya). The respective leaders of these associations headed the newly formed movement, becoming its cochairs.

During the election campaign the movement focused on problems of social protection, targeting voters, women voters mainly, who were disenchanted with politics and politicians.

The movement's list obtained 4,369,918 votes (8.13 percent) in the elections and 21st place in the State Duma together with the right to form a faction. Today there are 22 deputies in the Women of Russia faction.

In the early days the relatively small faction was not particularly noticeable amid larger, more celebrated, and more strident deputies' associations. But pretty soon it became clear that it had a particular and very important part to play in parliament. In a situation where neither the reformist nor the conservative wing of the Duma had an overwhelming majority of votes, the 22 members of the "moderate" Women of Russia faction in conjunction with 10 members of the DPR [Russian Democratic Party] faction gradually began to play the part of a kind of "filter," blocking the passage of some decisions and, on the other hand, clearing a path for others.

This became very apparent for the first time on 13 January 1994. It was these 32 deputies who enabled the Duma's left wing to install I. Rybkin as speaker, and they also blocked the nationalists' candidate, Yu. Vlasov. Subsequently, according to an analysis of the voting results, it was these 32 deputies in conjunction with 18 PRES [Party of Russian Unity and Accord] faction deputies who paved the way for "public accord" and the amnesty for the members of the State Committee for the State of Emergency and participants in the October putsch. Moreover they voted exclusively for the "big package," which provided for exemption from prosecution for the putsch participants and for those who quelled it.

On 10 March this year the leaders of three centrist factions — Women of Russia, DPR, and New Regional Policy — initiated the dismissal of S. Kovalev from the post of parliamentary human rights representative for strongly criticizing the federal authorities' actions in Chechnya. At the same time, the faction voted against stripping V. Zhirinovskiy of his deputy's immunity.

The votes of the Women of Russia faction had a decisive influence during the Duma's adoption of such reactionary laws as the laws on agricultural cooperatives and agricultural purchases, the range of legislative measures to increase control over the mass media (primarily over state television and radio broadcasting), and the law on trade unions.

Sometimes the faction's actions were surprisingly inconsistent. Having voted for the "noninflationary" 1995 budget, a few minutes later the faction backed the draft law on minimum pay, which undermined the actual budget. On 21 June 1994 the faction voted for the government's privatization program, and six months later (7 April 1995) it supported an appeal to the Constitutional Court on the need to revoke the presidential edict which launched this program.

Overall the faction's behavior gave parliamentary experts grounds for describing it as a branch of the agro-communist bloc. This opinion is bolstered by the fact that the Agrarian, Communist and Women of Russia factions put forward a draft law suspending the privatization process.

At the same time, observers note the fairness shown in most cases by the faction toward the president, with whom, as far as one can tell, the Women of Russia leaders have pretty good relations. For instance, it was largely due to the faction members' nonparticipation in the vote of confidence in the government after last year's celebrated "Black Tuesday" that the attempt to bring down the Cabinet of Ministers by DPR faction leader S. Glazyev was thwarted.

The Women of Russia faction was in a very difficult position after the start of the Chechnya events. The very nature of the faction, stemming from its name, demanded strong condemnation of the hostilities. But this was hampered by the "special relationship" established with the executive authorities. As a result the faction's policy on this question was rather "moderate." On 13 January a little over one-half of Women of Russia supported the draft law prohibiting the waging of combat actions in Chechnya. At the same time they refused to back a draft law on the nonallocation of budget funds for the hostilities and opposed a proposal by representatives of Russia's Choice and Yabloko on examining the question of publishing lists of servicemen killed in Chechnya.

Somewhat later the faction tried to compensate for the uncertainty it had displayed by submitting for examination by the State Duma a draft decree on

Defense Minister P. Grachev's unfitness for his job. Later on, in June, the faction's leaders suggested to the prime minister that he place before the president the question of the dismissal of P. Grachev, V. Yerin, and N. Yegorov. But there is reason to believe that these initiatives were agreed with the executive authorities.

The faction also consistently opposed the provision of the Law on Military Service extending the term of service to two years. It unanimously supported Duma Defense Committee Chairman S. Yushenkov's ultimate attempt to retain the 18-month term of service for soldiers who had participated in combat actions.

Recently Women of Russia has noticeably been straying from "left field," preferring to play in the center of the political spectrum. The faction members all opposed the draft laws on nationalization proposed by the Communist and Liberal Democrat factions. During the creation of the centrist blocs ("Russia is our Home," the Ivan Rybkin bloc) there were consultations with faction leaders on the subject of an election alliance. Ideological proximity was established, but Women of Russia decided to operate independently in the elections.

An analysis of the results of the Women of Russia faction's activities in the State Duma shows that this association is one of the most politically pragmatic because it votes more often than any other for totally opposite proposals. And it is this pragmatism that forms the basis of the "moderate" reputation the faction has built up.

Movement's Leaders

Alevtina, Vasilyevna Fedulova. Born 14 April 1940 in Elektrostal, Moscow Oblast. Graduated in 1963 from the Chemistry-Biology Department of the Moscow Oblast Teacher Training Institute named for Krupskaya, and subsequently from the CPSU Central Committee Academy of Social Sciences. From 1957 through 1968 she worked in a school as laboratory assistant, young pioneer leader, and teacher. In 1968 she was elected secretary of the Elektrostal Communist Youth League [Komsomol] City Committee and then secretary of the Moscow Komsomol Oblast Committee. In 1971 she became chairman of the central council of the All-Union Young Pioneers Organization named for Lenin. From 1971 through 1984 she worked as a Komsomol Central Committee secretary. From 1981 through 1984 she was a member of the CPSU Central Committee Auditing Commission. From July 1990 through August 1991 she was a member of the CPSU Central Committee. In 1984 she became executive secretary of the Soviet Committee for the Protection of Peace. From 1987 through 1991 she was first deputy chair of the Committee of Soviet Women. In 1990 she ran for election as an RSFSR people's deputy, but lost to S. Shakhray. From 1991 through 1992 she was chair of the Committee of Soviet Women. IN February 1992 she became chair of the Union of Women of Russia.

In January 1994 she was elected a deputy chair of the State Duma.

Yekaterina Filippovna Lakhova. Born in Sverdlovsk 26 May 1948. Graduated from the Sverdlovsk Medical Institute in 1972. From 1972 through 1976 she worked as a doctor in a children's polyclinic. In 1981-1987 she was deputy chief of the Main Heath Administration and chair of an RSFSR Supreme Soviet committee.

Member of the CPSU until August 1991. In August 1991 she became Russian Federation state adviser and chair of the Coordinating Committee on the Family, Maternity, and Children's Matters. In September 1992 she became adviser to the Russian Federation president on the family, maternity, and children's matters.

In December 1993 she was elected State Duma deputy for the Women of Russia Political Movement electoral association. She is a member of the State Duma Committee on Women's, Family, and Youth Affairs.

In January 1994 the president appointed Ye. Lakhova, with her consent, to head the Commission on Women's, Family, and Demographic affairs on a voluntary basis.

Galina Ivanovna Klimantova. Born 27 July 1944 in the village if Novyanskoye, Alapayevskiy Rayon, Sverdlovsk Oblast. Her father was a Great Patriotic War veteran and ganger; her mother was an economist.

In 1967 she graduated from the Urals State University Philology Faculty. She taught Russian language and literature and subsequently studied at the CPSU Central Committee's Higher Party School faculty of journalism.

She started working in Udmurtia in 1967 as an editor on radio, chief editor of a republic youth paper, and secretary of the republic Council of Trade Unions. She worked for more than nine years in executive authorities' organs, first as chief of the Udmurt Republic Council of Ministers family affairs department and then as a department chief of the republic Council of Ministers apparatus.

In 1987 she became chair of the Udmurt Republic Union of Women. She took part in drawing up the republic's comprehensive targeted program on women's health and family planning. She dealt with baby food and disabled children's problems. She worked on the idea of developing the women's movement in the republic.

She was a member of the CPSU until August 1991. In August 1991 she became a member of the Union of

Women of Russia Board. In November 1993 she was nominated to run as a State Duma deputy on the Women of Russia association federal list.

In January 1994 she became chair of the State Duma Committee on Women's, Family, and Youth Affairs.

Election Platform

The election platform of the Women of Russia movement comprises three sections: "Human Beings," "The Family," and "Peace in Russia."

In the first section the movement sets the following goals, in particular: Efficient work and fair pay — observance of working people's labor rights and provision of healthy working conditions irrespective of the form of ownership. Economically and socially sound levels of pay, increased pay for working people in budget-funded sectors, and state supervision of the timely provision of pay. Prevention of mass unemployment. A high standard of education for Russians — retention of free complete secondary and accessible vocational (including higher) education together with the development of forms based on fees. Access to cultural assets. Improvement of the population's health: preservation and development of the system of free state health services together with the development of fee-based medical services, and environmental safety measures. Proper housing for all: Development of the state housing construction program and granting of free or inexpensive housing to the less well-off. Social protection for the population. Protection and development of children — free education and health services for all children. Access to kindergartens, creches, groups, studios and sports sections, children's camps.

The section entitled "The Family" includes material support for all families with children and the payment of an economically significant allowances for every child. The creation of conditions for parents enabling them to combine work with child-raising. Health protection for mothers and children. Special support will be given to young student families, elderly couples, elderly single people, large families, servicemen's families, and families with children or disabled parents.

"Peace in Russia" section: the formation of a democratic state and mechanisms guaranteeing people access to the authorities, enabling them to influence the authorities, participate in decision-making, monitor the authorities, and call them to account if they break laws.

Federalism as the basis of economic and social development.

Constructive collaboration among legislative, executive, and judicial authorities, on the basis of a common approach to understanding the strategy of economic, social, and political transformations.

A socially oriented economic policy: a market economy as the means of improving the well-being of all Russians.

State support for all sectors providing for the population's material and spiritual needs, in particular with the predominant use of women's labor.

Diverse forms of land ownership, state regulation of the land market, and protection of the land rights of those involved in land arrangements.

None of the election platform's sections has anything to say about possible means of financing the aforementioned support and aid programs.

As we can see, the Women of Russia election platform is quite competently organized. It is very general, it imposes no specific obligations on those advocating it, and the vast majority of its provisions cannot be questioned. The movement wants things to be fine for everyone, and no one would object to that.

As is known, the electorate in Russia votes not for parties and not for programs but for a leader. In this respect the faction's leaders face tough competition. The results of recent surveys by the "Public Opinion" foundation indicate that the Women of Russia leaders are not in the top 20 most influential politicians in the country (unlike the leaders of the Communists, Agrarians, and "Yabloko"). In the top 10 most influential party leaders Ye. Lakhova is next to last (G. Zyuganov is first). But Women of Russia were somewhere in the middle of the list of 15 parties with what the experts regard as the best chance of winning the elections. Clearly the movement's main trump card is not the leader, let alone the program, but the name. Voters will vote simply for women.

Women of Russia can be regarded as having a pretty good chance of clearing the 5-percent barrier. Criticism of the president and the government will probably be increased during the election campaign in order to improve their chances. If it gets into parliament the faction will most likely stick to the policy of pragmatism and choose itself a place in the center, depending on the distribution of forces in the Duma and on the prevailing balance of relations between the executive and legislative authorities.

Regional Activities

Skokov, Lebed Campaign in Krasnoyarsk, Khakasia

MK0911101395 Moscow MOSKOVSKAYA PRAVDA in Russian 4 Nov 95 p 7

[Report by Vasiliy Ivanov: "Congress of Russian Communities Leaders Feel Determined"]

[FBIS Translated Text] On 1 November, Yuriy Skokov and Aleksandr Lebed, leaders of the Congress of Russian Communities [KRO], finished their electoral trip to Krasnoyarsk Kray and Khakasia. It should be mentioned that the activity of the KRO leaders in this region has enlisted many new supporters of this movement among local people. The leaders have answered a lot of questions.

Unlike democratic movement members, the KRO leaders did not focus their attention on the situation with the Central Electoral Commission's refusal to register several electoral associations. Instead, they talked about problems which are of an immediate concern to common people, rank and file voters. Maybe it was for that reason that Skokov and Lebed spoke to packed houses.

The KRO leaders discussed at the meetings, in addition to economic issues, the problems of Chechnya, the Armed Forces, and the political structure of the country.

Among other things, Skokov noted that, based on people's demands, the KRO had developed a realistic program to improve the present calamitous state of the Russian economy.

Yuriy Skokov was asked many questions about the Russian president's recent statement that "Skokov is a clever and fine fellow." In reply to this, Yuriy Skokov said, "You should know Boris Nikolayevich [Yeltsin]'s nature: He may praise you one day and scold you the day after."

In addition, Skokov believes that the effective Russian Federation Constitution has been tuned to the pitch of just one person: the Russian president. According to Yuriy Skokov, it is a way out of this constitutional trap that the KRO is going to search for, so that not only the president will dictate his conditions, but also the executive and legislative branches will respond to the situation promptly and exert real influence on the state of affairs in the country.

The problem of fighting corruption and crime, in the opinion of the KRO leaders, is now a top priority. The KRO believes that this fight should be started at the very top. It is necessary to have a closer look at the "top officials who are in charge of distributing our resources and the entire national wealth of the country." This is why, according to the KRO leader?, it is essential to put in order, first, the sphere of state management and, second, law-enforcement structures.

In Yuriy Skokov's opinion, as a result of the poor work of law-enforcement structures and with the support of the present authorities, Russia has given rise to a huge number of millionaires in the West and Latin America. "Our integration in the European Union is of a peculiar kind," he said. "The government allows everything to be taken out of the country — above all, energy resources — converting them into big capital on the other side. It follows, therefore, that Russia is creating jobs in the West, sending its own workers to the employment agency."

Yuriy Skokov also spoke very harshly about the present head of the Russian Government. In his words, it is Prime Minister Viktor Chernomyrdin who has created such a situation in the country in which "'Gazprom' — a monopolist octopus — has produced a 13-fold price hike for gas in one year, dictating rules of the game to the entire, already ruined industrial sector." Skokov believes that it is "Gazprom" that "has the whole country by the throat."

No less harsh was General Lebed's speech on the situation in Chechnya. In his opinion, it is necessary to take all federal troops and the Russian-speaking people out of Chechnya, after which measures of an economic and political kind should be used. "You want independence, don't you? Here it is — only without our budgetary funds!" the general said. Aleksandr Lebed believes that the authorities need the conflict in Chechnya "since it provides them with an argument justifying any actions, including cancellation of the elections."

The electoral trip of Yuriy Skokov and Aleksandr Lebed has once again shown that the KRO leaders have serious intentions to overcome the crisis which has swept the whole country and have a sufficiently clear-cut program of actions to do this.

Single-Seat Constituency Lists in Tatarstan Reviewed

MK0911101295 Moscow SEGODNYA in Russian 4 Nov 95 p 2

[Report by Igor Kotov from Kazan: "Tatar Voters Offered Rich Assortment of Candidates. They Include Representative of Nonexistent Bloc, Commissar, and Businessman Fresh From the Dock"]

[FBIS Translated Text] Registration of candidates for single-seat constituencies of the Russian Federation State Duma has ended in Tatarstan. All in all, 36 contenders for the mandates have registered. The number of contenders per seat varies considerably depending on whether the constituents are urban or rural. Thus, the lowest number of candidates — only three — registered for Almetyevsk District No. 23 [as published], with a predominantly rural population. From six to eight candidates registered in the Moskovskiy No. 23 [as published], Naberezhnyye Chelny No. 24, and Nizhnekamsk No. 25 Districts, where the portions of the urban and rural populations are approximately equal. The largest number of candidates registered for Privolzhskiy Electoral District No. 26, the whole of which comprises four Kazan city rayons — here 11 contenders will compete for a seat in the Duma.

The latest elections have demonstrated that the rural population is far more manageable than the urban. The December 1993 election turnout was below par. The republic was striving for its sovereignty to be recognized by Moscow, and there happened to be rural constituencies with a voter turnout of less than 1 percent. Moscow took the hint and in February [1994] a treaty was signed on the separation of powers and jurisdictions. Accordingly, the repeat election in March 1994 proved to be very successful and, interestingly, in those same rural regions the voter turnout was at almost 100 percent, just like in the good old days. Kazan voted more evenly, and the winner in Privolzhskiy District was Valentin Mikhailov, one of the democratic opposition leaders in the Supreme Council of Tatarstan, although all local state-controlled media had been working against him.

Therefore, it is clear why the following candidates are running in the rural Almetyevsk Electoral District. First, the current Duma deputy and candidate from "Our Home Is Russia" Gennadiy Yegorov, presumably confident of the unfailing support of the Tatar leadership. The Agrarian Party and the Communists also supplied one candidate each. As for the Agrarians, it is all crystal clear with them: Where else should they nominate their candidate but in the countryside? Everything is also clear with the Communists: They apparently have decided to nominate their candidates in all regions. In Tatarstan, they did not turn up only in Nizhnekamsk District, but even this was probably done by agreement with the "Communists—'Working Russia' for the Soviet Union" [as published] bloc, which nominated its candidate there. Moreover, ideologically like-minded, temporarily between jobs, Moscow highlander Sazhi Umalatova is also running there. She is, by the way, the only woman on the lists of single-seat constituencies in Tatarstan. In Moskovskiy District, Vladislav Achalov, a retired general currently chairing the All-Russia Officers Assembly, is nominated by the "Union of Patriots."

The "Yabloko" Association and the LDPR [Liberal Democratic Party of Russia] look quite well, having nominated three candidates each. An additional dozen associations have one or two candidates each. Nine contenders have been nominated by voters. They include Military Commissar of the Tatarstan Republic Ivan Stogniyev, whom the Tatar leadership apparently wishes to get rid of in a proper manner, and the notorious businessman Sergey Shashurin, recently elected to the republic's State Council right from the dock.

This is where we would finish with the examination of the list, but for District No. 24 automatically striking the eye. The deputy head of Yelabuga Rayon and of the City of Yelabuga's administration, Nikolay Belov, was nominated there. That would have been no big deal had he not been nominated by the "Union of Housing and Municipal Service Workers of Russia," an electoral association which was recently been denied registration by the Central Electoral Commission.

Local Leadership Seen Influencing Elections in Ulyanovsk

MM0911115895 Moscow IZVESTIYA in Russian 9 Nov 95 p 2

[Report by Valentin Razboynikov: "They do Not Like Surprises in Ulyanovsk. That Is Why They Try to Predetermine the Results of Elections Long Before the Elections Are Held"]

[FBIS Translated Text] Ulyanovsk — For three days, including the day off, the Ulyanovsk Oblast Court has been examining a lawsuit filed by L. Chechenev, an independent State Duma candidate deputy, against the local electoral commission. The gist of the dispute is as follows: Whether to consider lists of signatures certified if, instead of a schedule of collectors of signatures, only the surname, first name, and patronymic of the collectors is indicated, and indeed written in their own handwriting.

During the trial, there have been four different judges, and although the people who collected the signatures have testified at the trial that they did put their names at the bottom of each list, and no "dead souls" were discovered in the lists, the court has ruled that Chechenev should be denied registration.

There is no direct evidence on which to base a claim that the court was carrying out someone's will. But it is not hard to prove that Chechenev was repeatedly instructed to withdraw his candidacy. Several heads of rayon administrations spoke to him on the subject — fruitlessly. But the events in the rayon settlement of Terenga themselves leave no room for doubt as to the fact that the oblast administration had advanced against the self-nominee.

First of all it was stated in an oblast telephone conference that a chapel had been built in the settlement, where the parishioners worshiped not Christ the Savior but, like pagans, prayed to a portrait of the general director of the Ulyanovskzerno joint-stock company — Chechenev. Furthermore, the parishioners apparently used the chapel to organize the collection of signatures in support of putting the general director forward as a State Duma deputy. Then a decision that is unprecedented in our day was made: to demolish the chapel.

I personally have ascertained that this chapel has nothing to do with the election campaign. Furthermore, it has not even been completed, and it is simply unsuitable for activities such as the collection of signatures. But the commission which went there, mainly made up of professional builders of communism, pronounced the verdict that the chapel must be demolished. And this entire spectacle was played out with one aim: to remove the independent candidate. The court achieved what the bureaucrats were unable to do in legislative terms.

I will not judge to what extent Chechenev is a worthy candidate, but you cannot deny his boldness — he has decided to join the election fight without the blessing of the head of the oblast administration. And the election scenario has already been written here: One seat has been "reserved" by Ye. Lakhova, and another by O. Kazarov, former second secretary of the obkom [oblast party committee], later chairman of the oblast soviet executive committee. Incidentally, he was planning to "close down" the party obkom at one time. But now, as manager of the savings bank, he has become rich and, in accordance with the economic conditions, has shifted to the left, and now Kazarov, old friend and comrade in arms of Yu. Goryachev, is once again a communist. It is in this capacity that he has tried to win the hearts of the electorate.

However, it is not just seats in the State Duma that have been reserved, but also seats in the local legislative assembly. For instance, in Ulyanovskiy Rayon, instead of a candidate well-known there, we see the emergence of O. Goryachev — the son of the head of the oblast administration. A. Yaruskin, chief economist at the "Pamyat Kuybysheva" Kolkhoz, has withdrawn in his favor. For some reason effective people have withdrawn their candidacies in Nikolayevskiy, Pavlovskiy, and other rayons. In their stead, people close to the oblast administration have appeared on the lists.

As for independent candidate L. Chechenev, he has been given leave to appeal against the local court ruling in the Supreme Court. He can appeal all right, but there will not be time to register anyway.

Forecasts & Commentary

Shakhray Interviewed on Elections, Chechnya, Army

LD0811215095

[FBIS Editorial Report] Moscow Television 31 in Russian at 1830 GMT on 7 November carries a 35-minute live or recorded interview of Sergey Shakhray, Russian deputy prime minister and chairman of the Party of Russian Unity and Accord, by Aleksandr Nadzharov in Shakhray's office on an undisclosed date.

Nadzharov begins by asking Shakhray what ideas he has to attract voters. Shakhray replies that it is important to win the electorate's trust. He adds: "I will not go to the elections with programs, although we do have programs and platforms, and so forth. I am going to the elections with a whole host of concrete proposals." He does not elaborate further on his proposals.

Speaking of the situation in Chechnya, Shakhray says: "What is the solution? There always is a solution and there is one now. There is the agreement on the bloc of military questions. It is a real document and it should be implemented."

Asked if he is still as close to President Yeltsin as he had been, Shakhray replies: "What is the difference? Of course, it does matter who is there — if it is Yeltsin, Ivanov, or Sidorov — but the main thing is that the post of the president of the country, the head of state exits. The authority of the head of state should be protected equally by Shakhray in the president's team, by Zyuganov, or by anyone else."

Turning to problems in the Russian Army, Shakhray states: "For any Russian, the Army is something special." He continues: "I think that there has been enough talk about reforming the Army. It should be revived, recreated. Of course, I think the right path is one that leads to a professional army, but it is not a fast path. It is an expensive one. Nevertheless, there is no alternative." He adds: "One cannot be a military man and politician at the same time. If you have chosen the path of a politician you should leave the Army. That is the law now. These are the regulations."

Answering a question on a new wave of emerging politicians, Shakhray says: "I think they do exist and these are in the first instance the new regional leaders." He goes on to name Aleksandr Volkov, chairman of the state council of Udmurtia, and President of Kalmykia Kirsan Ilyumzhinov among these.

Speaking of the principles his party would apply if it were asked to form a government, Shakhray asserts: "We say we are a party of professionals. It is a matter of indifference to us whether the ideology is communist or democrat. There are five highly professional legal experts and seven highly professional economists in a list of 12 candidates. That is, we are capable of making laws and of implementing them." He continues: "It is obvious to me that the main foreign policy problem now is the Commonwealth of Independent States. The priorities should be changed: China, India, Tokyo — the priority should be developed in this direction, in the direction of France and Germany, of Europe, two axes, if you like, or two triangles."

Asked if he was leaving the government, Shakhray replies: "I will leave the government. I will do the same as I did in 1993. A month before the elections I will take unpaid leave and work on the elections". He adds: "If deputies have stipulated that a state employee does not have the right to use his post for election purposes, I propose that the Duma should announce a break from 15 November to 15 December to avoid exploiting the floor of parliament, to avoid hysterics and fights there, to avoid running around the State Duma in T-shirts for pre-election purposes for the electorate to see. Then the Duma would assemble on 17 December and its powers would be preserved until the first sitting of the new Duma."

ITAR-TASS Carries Press Review for 9 Nov

LD0911080295 Moscow ITAR-TASS in English 0731 GMT 9 Nov 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, November 9 (Itar-Tass) — IZVESTIYA on the situation in Chechnya.

"The war in Chechnya to a large extent, if not primarily, has been connected with the interests of certain people to exercise control over oil produced in the republic, the particularly pure oil which is notable for unique properties."

The newspaper is of the opinion that it is a question of failure to implement the Russian President's decree, dated October 4, "On measures for the development of the petroleum-sector enterprises of the Chechen Republic".

"Although the Russian Ministry of Fuel and Power explains the failure to implement the Presidential decree by a usual lack of executive discipline and 'sluggishness of the bureaucratic apparatus', there are grounds to believe that this is not quite so.

"It is not for nothing that a final version of the government's draft resolution concerning the Presidential decree was greatly diluted by the bureaucratic apparatus."

The newspaper associates this with the emergence of Doku Zavgayev as the Prime Minister of the republic's provisional government on the political Olympus of Chechnya.

KRASNAYA ZVEZDA on the state of affairs in Chechnya:

"It seems that new Chechen Premier Doku Zavgayev really makes most resolute steps to establish undivided authority in the republic. Such moves cannot be referred to otherwise than timely. Worn-out by the war and shoot-outs between members of various entities (including unlawful ones), the people in Chechnya aspire for peace and tranquility."

ROSIYSKAYA GAZETA on the misfortune of children in Chechnya:

"The spectre of children's misfortune is roaming the roads and outback areas of Chechnya. Chechen, Ingush, Russian, Jewish, Tatar children as well as those of other nationalities get into the hands of drug addicts, become addicts themselves and actually turn into a commodity which is traded by the dogs of war who are without kith and kin".

IZVESTIYA on the state of affairs in Sverdlovsk region. Eduard Rossel, new governor of Sverdlovsk region, who won the elections, has begun to change the entire managerial team in the region.

"On the one hand, this is a natural process — the election promises cannot be fulfilled without like-minded associates. On the other hand, this is a dangerous path, for by posting his people at all important positions, Rossel as if assumes the entire responsibility for consequences. If errors are made, he would not be able to say any longer that he was let down by a 'fifth column'.

"At the same time, this process at times resembles an elementary reprisal against those who did not side with Rossel during the election campaign but who for their professional qualities could have cooperated successfully with him. If a changeover of teams is effected according to the 'tit for tat' principle, a stand-off over the expanses of Russia would become permanent and the authorities would lose any respect," the newspaper concludes."

ROSSIYSKAYA GAZETA on the mortgaging of Sukhoi Aicraft Design Bureau securities.

The newspaper reports that the State Property Committee mortgages the securities of the one of the world's best experimental and design bureaus of air equipment — the Sukhoy joint-stock amalgamation.

"As a result of the mortgaging, dollar rivers will now start to flow towards Russian shores," the newspaper writes with irony. "But it would not be quite so. Sensation is not in what is mortgaged but at what price — at only 10 million U.S. dollars. Sometimes, even larger amounts are requested and paid for a professional sportsman. Who will benefit from such a deal?" the newspaper asks.

TRUD on the electoral registration scandal.

"In the opinion of some political scientists, only minor editorial changes can now be introduced to the electoral law. But this would not settle most issues. A radical change of the law would confront us with the following problem: either to change the date of, postpone or in general frustrate the elections".

ROSSIYSKIYE VESTI on the assassination of Israeli Prime Minister Yitzhak Rabin.

"Nowadays, the life and activities of the leader of any state is by no means reduced to receptions, banquets, visits and other attributes of being at the top. The reality is such that the top executive position is among the most dangerous ones.

"Presidents and Premiers are not only subjected by tremendous pressure from various political forces, the public opinion, the press and staff intrigues but may find themselves within the gun-sights of extremists, in the ordinary sense of the word."

KOMSOMOLSKAYA PRAVDA on the scope of corruption in interior agencies.

The newspaper carries an interview with Russian Interior Minister, Colonel-General Anatoliy Kulikov.

The Minister emphasised as follows: "When I was appointed the Minister of the Interior three months ago, I could not even imagine the scope of corruption in State bodies in general and in interior agencies, in particular. I came to realise one thing, namely, that if the agencies themselves do not start cleansing their ranks of corrupt members, the entire fight against organised crime and corruption would be reduced to eliminating only their surface manifestations."

PRAVDA Sees Little Progress From Premiers' Meeting

MM0911102095 Moscow PRAVDA in Russian 9 Nov 95 p 2

[Commentary by Igor Lenskiy: "Economy in Decline, Debts Rising. On the Results of the Moscow Meeting of CIS Heads of Government"]

[FBIS Translated Text] The debt problem was at the center of attention of the premiers of the 12 CIS states. A serious reprimand was issued to the partners in the near abroad who owe Russia $5.8 billion — that was perhaps the main result of the discussion which took place.

Russian Premier Chernomyrdin was forced to acknowledge that despite the years of extensive talks there is no real payments union within the CIS. It was a ludicrous situation: If you buy some cheese from a store you cannot avoid paying for it, but when it comes to dealings between states this, it seems, is the done thing. As a result situations developed which had become anecdotal. CIS countries owed the "Roskontrakt" corporation $400 million, of which Ukrainian organizations accounted for $233.5 million, Kazakh organizations owed $136.3 million, Armenian organizations owed $32.6 million, and Azerbaijani organizations owed $15 million. At the same time "Roskontrakt" was unable to settle its bill for Uzbek cotton and the Russian Government was forced to rummage round for the money itself; in other words, it reallocated funds in its own budget.

The admission that the slump in the CIS states' economies was continuing made depressing news. Any progress at such meetings is linked, as a rule, not with the acquisition of something new but with the restoration of something that we used to have but then lost. For example, you smile wryly when you learn that the CIS is going to have a common air defense system again. The desire of Kyrgyzstan, Uzbekistan, and Tajikistan to join the Customs Union is greeted with rapture. Let us recall that Russia, Kazakhstan, and Belarus already have such a union. The prospective members' intention can only be welcomed if our partners are ready, like Belarus, to view the common customs system as one element in the restoration of a common political area. Otherwise, if the Customs Union becomes a separate entity, it could bleed Russia dry of its natural and material assets.

The signing of other agreements — in the sphere of science, foreign economic activity, and the transshipment of gas — is more of symbolic significance. Seven countries agreed to the unhindered transshipment of gas, but this seems unlikely to resolve the problems that exist. That is because the signatories do not include Azerbaijan, which has closed the valve for Armenia, or Ukraine, which high-handedly removes gas en route from Russia to West Europe.

Premier Chernomyrdin's new approach should be viewed as surprise. At the final news conference he announced that "PRAVDA is a good newspaper," looked favorably on the idea of a political union of the Slav states, did not use the word "reform" once, and talked at length about the humiliations that ordinary citizens of the former great power are suffering. Chernomyrdin reacted extremely coolly to the Georgian delegation's statement about strong-arm pressure on Abkhazia and in reply to our correspondent's question said: "Peace cannot be restored by force. Russia, as an intermediary, is doing everything it can to resolve this serious problem. A solution is close now. To all intents and purposes it already exists. The two sides must show restraint, courage, civic-mindedness, and responsibility."

Key Differences Remain in Armenian-Azeri Karabakh Talks

LD0911113395 Moscow ITAR-TASS in English 1059 GMT 9 Nov 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, November 9 (Itar-Tass) — The regular round of Armenian-Azeri talks on the political settlement of the Nagorno-Karabakh conflict, which is under way here under the aegis of the OSCE, may end today evening. In spite of this, consultations will be continued during the next two days at the meeting of the Minsk OSCE Group, which is to sum up the results of the current stage of the negotiations process and decide the date and place of the next meeting. Itar-Tass has learned this from trustworthy sources, close to the delegations of the two sides. The focus of the Armenian-Azeri talks is a draft political agreement to end the hostilities, which paves the way to the final settlement of the conflict. Work on this document is proceeding with much difficulties. Most of the text has already been agreed, but the sides still differ on some key formulations.

There are differences also on such an important question as the timelimits and terms for the liberation of the "captured territories". Nevertheless, experts believe that there are quite good chances for the successful settlement of the Karabakh issue. This is borne out by the desire of the sides to continue the dialogue and also by the ceasefire in the conflict zone, which has already been observed for one and a half years.

The Armenian-Azeri talks on Nagorno-Karabakh are being conducted with the mediation of the Minsk OSCE Group, which is co-chaired by Russia and Finland.

Russians in Baltics May Be Allowed To Vote in Elections

WS0911102995 Tallinn BNS in English
1900 GMT 8 Nov 95

[FBIS Transcribed Text] Moscow, Nov 8, BNS — Several members of the Russian parliament will ask the country's Supreme Court to allow Russian speaking non-citizens of Estonia and Latvia to vote in Russian parliament elections.

The proposal foresees to change a legislative norm barring non-citizens of former Soviet Republics from Russian elections, said one of its authors, Vladimir Lepehin.

In experts' opinion, former Soviet citizens who have not gained any other citizenship should be recognized as Russian citizens, said Lepehin.

The Constitutional Court specialists have praised the proposal what leads to believe that it could be approved, Lepehin noted.

To move a similar application, it should be supported by at least 90 members of the State Duma (lower house of the parliament).

Yeltsin Vetoes Unilateral Lifting of Belgrade Sanctions

LD0911161795 Moscow ITAR-TASS in English 1613 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW, November 9 (ITAR-TASS) — Russian President Boris Yeltsin on Thursday returned to the parliament a draft law envisaging the unilateral lifting of international sanctions imposed on the Union Republic of Yugoslavia, the presidential press service reported.

The press service statement said that the president had sent a message to Duma Speaker Ivan Rybkin explaining his standpoint concerning Russia's possible steps toward "the lifting the Yugoslav sanctions by the U.N. Security Council."

Reportage on Grachev, Perry Negotiations on Bosnia

Yeltsin to Grachev: Take 'Principled' Stand

LD0811173395 Moscow NTV in Russian 1600 GMT 8 Nov 95

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] New talks took place today between the U.S. and Russian military; the main subject is Russia's role in future international peacekeeping forces in the former Yugoslav Republic of Bosnia-Herzegovina. Russian officials state their readiness to make troops available to implement the peace agreement, but Moscow rules out the possibility of its contingent being under NATO command.

[Correspondent Sergey Belousov] [passage omitted] It has just become known that before his departure for Brussels Defense Minister Grachev received an instruction by telephone from President Yeltsin to take a principled stand on the status of Russia, which is ready to agree to its peacekeepers acting with NATO instructors in the Balkans, but the Russian troops must be directly subordinate to Moscow. [passage omitted]

Disagreement on 'Many Points' Reported

LD0811211795 Moscow NTV in Russian 1900 GMT 8 Nov 95

[From the "Segodnya" newscast]

[FBIS Translated Text] Today in Brussels the delegation of Russian generals led by the defense minister made the latest attempt to restore Russia's image as a super power determining world politics. The Kremlin's striving to agree with the United States on Russian soldiers' participation in separating the opposing sides in Bosnia is so great that it agreed to the talks being held at NATO headquarters, the very organization under whose command Moscow categorically refuses to be.

The Russian military arrived in Brussels in civilian clothes. A definitive agreement that Russian Armed Forces will act independently in former Yugoslavia outside the North Atlantic bloc's zone of control is the result of the latest meeting in two weeks between Defense Ministers Grachev and Perry. General Shevtsov will command a Russian airborne brigade numbering up to 3,000 people and at the same time will be deputy to American General Joulwan. The political basis for this subordination was clearly good preparation at home.

[Begin Grachev recording] Russia is moving towards realizing in practice a principle which NATO put forward, partnership for peace. [end recording]

Pavel Grachev thinks that the main issue remains unresolved — political control of the operation — but he thinks that it lies within the competence of more senior state officials to resolve this task.

According to our information, the sides did not agree on many points, including division of zones of responsibility, financing and a date when peacekeeping actions should begin and how long they should last. However, countries outside NATO, such as France for example, are already beginning to show dissatisifaction with the U.S. striving to determine European policy. It is not ruled out that in the near future Russia might have serious partners on this issue.

We learned that, when leaving for Brussels, Grachev received a very stern instruction from the Russian president even to go as far as slamming the door should the Americans not agree to the Russian plan. William Perry had an analogous recommendation from Bill Clinton, but this time again there was no scandal. The talks have been adjourned for two weeks. It is worth remembering that in three weeks' time, on 31 November [as heard] the mandate of the UN international forces in Bosnia expires and the command passes to a committee of general staffs of the forces of the North Atlantic bloc.

Compromise Reached on Peacekeepers

LD0811223995 Moscow NTV in Russian 2100 GMT 8 Nov 95

[From the "Segodnya" newscast]

[FBIS Translated Text] On Wednesday in Brussels, the Russian and US defense ministers held talks on military operations in the Balkans. Grachev and Perry approved a general plan for a mission of multinational forces. The ministers even agreed that Russian combat subunits would take part in the international operation together with NATO forces but they would not be directly subordinate to the alliance command. The supreme commander of the operation, American General Joulwan, will have a Russian deputy, Colonel General Shevtsov.

[Begin recording] [Russian Defense Minister Pavel Grachev] Our commanding officer will realize or implement tasks only if there is the signature of Col. Gen. Shevtsov. This is very important as it rules out the possibility of us being under another command.

[Shashkov] This compromise resolved the basic contradiction between the Russian and U.S. positions. It is well-known that Russia did not want to put its troops under NATO command and Washington wanted to send its units to Bosnia only under a single NATO command.

[Grachev] We must fully understand that the states in the Atlantic union, that is NATO, are taking on the basic, well not weight, but yes perhaps weight, burden, responsibility, and implementation of this operation. There is more hardware there and more personnel and more money and more material provision, so we are not making any claim to take the general leadership of the operation upon ourselves.

[Shashkov] Nevertheless, the issue of political control over the operation remains unresolved as Russia does not intend to entrust it only to participants in the North Atlantic alliance. [end recording] [video shows delegations arriving at the Brussels talks]

Grachev To Explain Stand at NATO Council

LD0911103895 Moscow ITAR-TASS in English 1012 GMT 9 Nov 95

[By Aleksandr Mineyev]

[FBIS Transcribed Text] BRUSSELS November 9 (ITAR-TASS) — Russian Defence Minister Pavel Grachev was invited to speak at the NATO Council on November 28 to set out the Russian stand on peace settlement in Bosnia and the proposals that experts will work out by that time. The general plan of the operation of multi-national forces to fulfil the peace agreement in Bosnia-Herzegovina was endorsed on Wednesday by heads of the Russian and United States defence agencies, Pavel Grachev and William Perry.

Russian units will participate in the operation together with servicemen from NATO countries but will not be under NATO command. The plan suits both sides, and the military are to finalise its details, Grachev and Perry stated at the news conference following the negotiation in the U.S. mission at NATO in Brussels.

During a conversation with Russian journalists, Grachev told them that a Russian brigade consisting of two or three reinforced battalions will participate in the disengagement of troops of the Bosnian sides and will be fulfilling other combat tasks connected with the restoration of peace. He said the numerical strength of the brigade will depend on the tasks set. Posavski corridor where the zones controlled by three Bosnian sides are joining, the key district of Bosnia-Herzegovina, will be the zone of the responsibility of Russian troops.

A breakthrough has been made in solving one of most sensitive and difficult problems: the system of command and subjugation. The plan suggested by U.S. and Russian military does not interfere with the principle of one-man command, but the Russian contingent will not be directly under the command of NATO military structures.

U.S. General George Joulwan, NATO Supreme Allied Commander Europe, entrusted with the general guidance of the operation, will be for Russian forces not NATO military chief but chief superviser of forces for fulfilling the peacekeeping operation. His deputy in Russian forces will be Colonel-General Leontiy Shevtsov. All the orders referred to the commander of the Russian brigade should bear two signatures. If General Shevtsov has doubts about an order of General Joulwan, he may consult the Russian Defence Ministry and refrain from fulfilling the order.

The problem of the political control of the operation is the only outstanding problem. NATO believes political control should be exercised by the NATO Council in Brussels consisting of the ambassadors of 16 NATO member-countries.

This does not suit Russia. It suggested various versions, ranging from United Nations control to the creation of a special international political council. All of them have been rejected by the U.S. side.

The Russian delegation suggested to use the mechanism already operating in Brussels, that of Russia-NATO consultations on "16 plus one" formula with the inclusion of Russian representatives in the NATO Council on an equal basis. The U.S. does not agree to this yet, worrying that Russia will thus receive the right of veto on NATO decisions.

Grachev and Perry plan to continue the talks on the Bosnian operation.

'Satisfaction' Voiced Over Troop Decision

MM0911154095 Moscow IZVESTIYA in Russian 10 Nov 95 p 3

[Report by Yuriy Kovalenko: "U.S. General Not Destined To Command Russian Soldiers in Bosnia"]

[FBIS Translated Text] Paris — Russian soldiers will participate in the international peacekeeping forces in Bosnia, but, unlike servicemen of other countries, they will not be under NATO's command.

This is the chief result of the talks held in Brussels between Russian Defense Minister Pavel Grachev and U.S. Defense Secretary William Perry. Accord was reached, despite the fact that NATO had earlier demanded that all the peacekeeping forces be under its command alone.

All the conditions set by Moscow have been fulfilled, the head of our military department pointed out with satisfaction. Perry declared for his part that the United States made no concessions either.

Moscow had previously agreed to send 2,000 of its soldiers to Bosnia, but only in order to tackle road- or bridge-building there, at the same time remaining outside the NATO structures.

U.S. General George Joulwan, commander in chief, NATO Armed Forces, Europe, who will also command the peacekeeping forces in Bosnia, will have a Russian deputy, Pavel Grachev pointed out. It is he who will issue orders to the Russian units. George Joulwan and our General Leonid Shevtsov are faced with working out the details of the Russian involvement in peacekeeping detachments.

Admittedly, the problem of political control over the multinational forces remained unresolved at the meeting. It includes, in particular, these questions: By whose mandate and on what terms will these 60,000-strong forces operate in Bosnia, and where will they be sent after the peace agreement has been signed?

Directive Designates Funding, Aid to Krajina Serbs

MM0911100595 Moscow ROSSIYSKAYA GAZETA (Documents Section) in Russian 9 Nov 95 p 5

[Russian Federation Government Directive No. 1463, signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 23 October 1995]

[FBIS Translated Text] In accordance with the federal law "On Measures Regarding the Provision of Humanitarian Aid for the Federal Republic of Yugoslavia in Connection With the Mass Violation of Human Rights and the Rights of Serb People in the Republic of Croatia" and with a view to providing the population of Serb Krajina in the former Yugoslavia with humanitarian aid:

1. The Russian Ministry of Finance is to allocate the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters 8.1 billion rubles [R] in 1995 from the Russian Federation Government's reserve fund for the elimination of the consequences of emergency situations in order to procure and deliver humanitarian aid and also for the Russian National Orchestra to hold an antiwar concert in Belgrade.

The Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters is hereby authorized to use around $400,000 from the funds allocated in 1995 for the provision of humanitarian aid to cover the above expenditure.

2. The following are to allocate the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters the following foodstuffs, medicines, and surgical equipment:

—the Russian Federation Committee for State Reserves — 70 tonnes of canned meat products, 40 tonnes of canned fish, 40 tonnes of canned dairy produce, 50 tonnes of baby food, and 20 tonnes of sugar;
—the "Roskhleboprodukt" Joint-Stock Company — 335 tonnes of rice, 130 tonnes of buckwheat, and 189 tonnes of flour;
—the Russian Ministry of Health and Medical Industry — medicines and surgical equipment worth R540 million.

3. The Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters is to:

—deliver, in accordance with prescribed procedure, the humanitarian aid envisaged in Point 2 of this directive;
—procure and deliver 5,000 blankets to Belgrade;
—carry out, in conjunction with the Norwegian Side under UN auspices, an operation for an Il-76 aircraft of the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters transportation department to deliver humanitarian aid from Ancona (Italy) to Belgrade.

4. The Russian Foreign Ministry is, in accordance with prescribed procedure, to coordinate with foreign states and the appropriate UN structures matters pertaining to the delivery and handover of humanitarian aid shipments.

5. The Russian Ministry of Railways is to supply rolling stock on application from consignors in order to deliver

the 315 [as published] tonnes of rice, 130 tonnes of buckwheat. and 189 tonnes of flour to their destination.

6. The Russian State Customs Committee is to provide customs clearance and [border] transit for the humanitarian shipments mentioned in Point 2 of this directive in accordance with the procedure laid down by Russian Federation Government Decree No. 1041 of 8 September 1994 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 21, p 2391)

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 23 October 1995

Moscow Offers Ransom to Taleban for Pilots' Release

LD0811184795 Moscow INTERFAX in English 1649 GMT 8 Nov 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — Moscow has offered the Afghan opposition movement Taleban some "material compensation" for the release of the seven crew-members of the Ilyushin-76 plane kept hostage in Qandahar for a fourth month, a senior Russian Foreign Ministry official in charge of the affair has said.

He said there had been no response from Taleban yet.

The diplomat preferred not to disclose what the term "material compensation" meant. He merely added that options might vary.

"Taleban seems to be trying to derive some benefits from the dispute over the Russian plane, but it still seems to be uncertain what to ask," the diplomat said.

In his opinion the best way out for Taleban would be to set hostages free and start normal negotiations with Moscow on further contacts.

"We have well-established contacts with almost all Afghan factions, pro-government and opposition ones. We are interested in establishing such a dialogue with Taleban, too," the diplomat said.

According to him, Taleban has softened its approach to the held Russian citizens lately. In particular, it allowed a telephone conversation between the plane crew and their relatives in Kazan (Tatarstan).

"This is hardly the consequence of Taleban's military successes. In addition, its successes are rather dubious: Taleban is besieging Kabul but cannot seize the city," said the diplomat.

He believes that the Taleban stand has begun to change due to the latest steps taken by Russia, the United States and Pakistan.

"In reply to the request by Russian Prime Minister Viktor Chernomyrdin, U.S. Vice President Albert Gore and Pakistani Prime Minister Benazir Bhutto have promised to do everything they can to help free the Russian citizens held in Qandahar," said the diplomat.

Official Denies Hostage Ransom Offer

LD0911160595 Moscow ITAR-TASS in English 1556 GMT 9 Nov 95

[By Vyacheslav Anchikov]

[FBIS Transcribed Text] ABU DHABI, November 9 (ITAR-TASS) — Russia did not offer the money for the release of the seven-member crew of the Il-76 plane which was seized by the Afghan opposition militia Taleban, Russian official Timur Akulov told ITAR-TASS here today.

Akulov is staying in Kandahar to negotiate the release of the Russian airmen, who have been kept in captivity for over three months.

He said Russian negotiators had raised the question of humanitarian aid for the crew, but the aid was not allowed.

Russia's negotiations with the Afghan opposition group is mediated by Pakistan.

President Mintimer Shaymiyev of Tatarstan, Russia's constituent republic to whose air carrier the plane belongs, met Pakistan's ambassador to Russia today to discuss the problem.

Meanwhile, Russian Foreign Ministry senior spokesman Grigoriy Karasin told a briefing today that the negotiations over the captive crew had been making some progress.

He quoted a Russian envoy as reporting after a recent trip to Kandahar that "many misunderstandings have been removed" in dialogue with the Taliban opposition.

This holds out a promise that the Russian airmen might be released soon.

Karasin added that the Russian side would consider any proposals of payment for the release.

Helicopter Over Tajikistan Receives Afghan Fire

LD0911075095 Moscow ITAR-TASS in English 0733 GMT 9 Nov 95

[FBIS Transcribed Text] DUSHANBE, November 9 (ITAR-TASS) — A Russian border guard helicopter came under fire from a large-calibre gun when it flew over the 12th post of the Moscow border guard unit in Tajikistan on Wednesday morning, a spokesman for the Russian border guard command in Tajikistan told ITAR-TASS.

The shelling came from Afghanistan. The aircraft and the crew were not hurt. The Russians did not fire back.

The situation at the other sections of the border did not change over the past twenty four hours, the official said.

Shumeyko Explains Opposition to NATO Expansion

WS0911102795 Tallinn BNS in English
1900 GMT 8 Nov 95

[FBIS Transcribed Text] Kaliningrad, Russia, Nov 8 BNS — Vladimir Shumeyko, chairman of the Federal Council of the Russian Federation, announced that "it is impossible to imagine the Kaliningrad region surrounded by NATO countries."

He stressed in an interview with the Kaliningrad television station Jantar that the expansion of the North Atlantic Alliance to the East would not be a guarantee of peace, as supporters of this process maintain. He is convinced that the military have never been peacekeepers, although they participate in peacekeeping activities in various conflicts.

Shumeyko explained Russia's position of unequivocal opposition to NATO expansion to the East with economic as well as political considerations. "With the acceptance of the countries of Eastern Europe into NATO, Russia will lose its markets for sale of military production, since the new NATO members will need weapons, equipment and technology conforming to NATO standards," he said.

According to Shumeyko, Western arms manufacturers had the greatest interest in Eastern European countries joining NATO.

Nagorno-Karabakh, Abkhazia Talks Underway in Moscow

LD0811175595 Moscow Russian Television Network in Russian 1400 GMT 8 Nov 95

[Report over video by correspondent A. Vitels; from the "Vesti" newscast]

[FBIS Translated Text] [Announcer Dmitriy Borisov] Talks are being held in Moscow on settlement of the situation in two hot spots of the Transcaucasus — Nagorno-Karabakh and Abkhazia.

In both cases the participants refused to comment to journalists on the progress of the discussions, which evidently means that the sides took tough positions at the talks.

However, some details did become known to news agency correspondent:

[Vitels] The difficulty of the Georgian-Abkhazian talks, in the opinion of observers, consists in the fact that the Georgian side, which earlier spoke of new proposals, has again brought to Moscow the concept of the unconditional subordination of Abkhazia to Tbilisi. Representatives of Abkhazia insist on the equality of the component parts in the framework of a single union state.

The Russian side has also proposed its option of a solution to the conflict.

Meanwhile, Eduard Shevardnadze has declared his intention of raising at the January meeting of CIS heads of states the question of changing the mandate of the CIS peacekeeping forces in Abkhazia with the aim of giving them police functions so they can ensure the safety of the returning Georgian refugees and fulfill the functions of power ministries.

Shevardnadze said this will be Georgia's last attempt to solve the Abkhaz problem with the help of the mediation of Russia and the CIS. If this attempt is just as unsuccessful as the previous ones, then Georgia will resolve the problem with its own forces. [video shows Moscow, map of Georgia and Abkhazia, Shevardnadze, peacekeepers, returning refugees, Georgian soldiers marching past their leaders]

The latest round in the talks on a settlement of the Armenian-Azerbaijani conflict is centered on the liberation of the occupied territories.

The Azerbaijan delegation demands the liberation at the first stage of the towns of Shusha and Lachin, while the Karabakh people flatly refuse to discuss the subject of the return of the town of Shusha, and the question of Lachin they are ready to discuss simultaneously with the problem of the status of Nagorno-Karabakh after the signing of a full-scale treaty on settlement.

[Borisov] The present round of the talks on Nagorno-Karabakh are expected to end on 10 November, and then, INTERFAX reports, in Moscow there will be two-day consultations of the Minsk Group of the OSCE [Organization for Security and Cooperation in Europe] in which there are representatives of the United States, France, Sweden, Italy, Turkey, Hungary, Belarus, Russia, and Germany, and also the three combatant sides. (video shows map of area, with detail showing Lachin, street scenes in Nagorno-Karabakh)

Bulgaria's Spasov Heads New Communist International

*MM0911105795 Moscow PRAVDA in Russian
9 Nov 95 p 3*

[Untitled ITAR-TASS, EFIR-DAYDZHEST report under "Pulse of the Planet" rubric]

[FBIS Translated Text] The leaders of the Communist parties of 29 countries have announced the creation of a new Communist International. Bulgarian Communist Party Supreme Council Chairman Spasov has been elected general secretary. The new Communist International includes Marxists and Leninists from Germany, France, Turkey, Albania, India, the former Yugoslavia, and a number of Arab countries. According to Spasov, the Communist International is only accepting experienced Bolsheviks.

Minister Inspects Armenian Nuclear Power Station

*LD0911112295 Moscow Russian Public Television First Channel Network in Russian
0900 GMT 9 Nov 95*

[FBIS Translated Text] For the first time in the history of power engineering, a mothballed reactor, at the Armyanskaya nuclear power station, has been restored and restarted. Today Viktor Mikhaylov, Russian Minister of Atomic Energy, who is now in the republic, carried out an inspection of the restored power unit. He said:

[Begin Mikhaylov recording] I have quite a good impression after examining this station. [end recording]

By mid-November, when the second nuclear power unit reaches its rated capacity of 400 megawatts, the population of Armenia will receive a minimum of eight hours of light every day, but only if payments are made. Today, the population alone owes power engineering workers over 1 billion drams, that is $250,000, and the industry's debt is three times higher.

[Begin Mikhaylov recording] Today Armenia is indebted to Russia for launching this unit. Nevertheless, we have done it, taking into consideration that it is very important for the Armenian people to get electricity and heat. [end recording]

[Video shows a power unit and equipment, Mikhaylov and those accompanying him inspecting the station]

U.S., Israeli Fears Over Bushehr AES Unfounded

*LD0811174695 Moscow NTV in Russian
1900 GMT 7 Nov 95*

[From the "Segodnya" program]

[FBIS Translated Text] The Iranian authorities today announced the schedule for the construction of the Bushehr nuclear power station. There are a host of different rumors around this power station. Here is our correspondent, Fedor Tavrovskiy:

[Begin Tavrovskiy recording] Despite energetic opposition by the United States and Israel, work is in full swing in Iran to build the Bushehr nuclear power station with the active participation of Russian specialists. A contract was concluded last winter between Moscow and Tehran to the tune of $800 million. Today, Reza Amrollahi, head of the Iranian nuclear power organization, triumphantly announced that the first nuclear power bloc would come on stream in three years time, but it is not ruled out that our specialists might not manage to finish building the Iranian reactor due to circumstances beyond their control.

The specter of an Iranian nuclear threat evokes such great fear in Washington and Tel Aviv that they are seriously thinking up plans for a preemptive bombing of the Bushehr reactor, which is fortunately not yet a nuclear reactor, the chinese news agency XINHUA and the Iranian agency IRNA have reported. Moreover, they say that Israeli Foreign Minister Shim'on Peres, who is currently acting prime minister, has already stated publicly the intention to bomb the iranian nuclear power station.

The fears of the United States and Israel might be founded but for two circumstances: the first is that it is an open secret that Israel has a nuclear bomb of its own, and that Israel, unlike Iran, does not permit international inspectors to visit its nuclear facilities. The second point is that the Iranians say that IAEA inspectors who have visited the Bushehr nuclear power station on several occasions have not found any evidence that Iran is breaking the Treaty on the Non-Proliferation of Nuclear weapons. [end recording] [Video shows exterior and interior of facility under construction, interior shots, control panels, cannisters carrying nuclear materials]

Moscow, Laos Agree on Trade, Economic Cooperation

LD0911103195 Moscow ITAR-TASS World Service in Russian 0224 GMT 9 Nov 95

[By Sergey Blagov]

[FBIS Translated Excerpt] Hanoi, 9 Nov (ITAR-TASS) — A protocol on trade and economic cooperation between Russia and Laos was signed in Vientiane, ITAR-TASS reported from the capital of Laos over the phone today. It was signed within the framework of the Russian-Laos intergovernmental commission on trade-economic and scientific-technological cooperation. A separate protocol was signed on the results of work carried out by the commission.

The Russian delegation is headed by Yefim Basin, the Minister for Construction, and the delegation of Laos by Minister for Trade Sompadit Volasan. The Russian delegation had meetings with Vice Premier Kamphoui Keoboualapha and Foreign Minister Somsavat Lengsavat, who spoke in favor of intensifying bilateral ties. The Russian delegation is expected to complete its tour of Laos today and leave the country. [passage omitted]

Cooperation in investments between Russia and Laos has not reached its potential. Russia is currently working on 14 projects in Laos, the total value of which is estimated at $15 million. Trade turnover between the two countries can also be improved. [passage omitted]

Possibility of New Asian Doctrine Raised

964F0342A Moscow MOSKOVSKIYE NOVOSTI in Russian No. 67, 1-8 Oct 95 p 5

[Article by Konstantin Sarkisov, director of the Center for Japanese Studies of the Russian Academy of Sciences, under the "In the World" rubric: "On the Eastern Front Without Changes?"]

[FBIS Translated Text] Until recent times, only those who were too lazy to do so did not reproach Russian diplomacy with being totally unable to overcome its orientation on the West, to the detriment of the East. But the situation, it seems, has begun to change. The unprecedented meeting of the Chinese minister of foreign affairs with Boris Yeltsin in Sochi, Viktor Chernomyrdin's visit to South Korea, the president of the Russian Federation's November trip to China and the proposed signing there of a political declaration, evidently, have been called upon to form, once and for all, a new Asian doctrine for Russia.

But how well thought out are these intentions? If at the basis of the new doctrine there is nothing more than irritation and disappointment with respect to the West, and a desire to set in opposition to it a new alliance, then that, as they say, is a hopeless situation. There are no very brilliant prospects in the East for Russia if it goes there as a country that has been ill-used or rejected, and without some real trumps and ideas. They will not believe in its sincerity, and, which is the main thing, they are hardly likely to want to play along with it in opposition to the West, although the Asian countries have their own bones to pick with the West, and especially the United States.

Despite the tempestuous development of interregional economic relations, the Asians, as before, depend in enormous measure on America and the European Union. They are a part of the rapidly forming global market. In both the political and the military respects, the United States plays a pivotal role in the Asia-Pacific region, being a guarantor of the security and stability of the majority of countries in the region.

Russia's strategy for rapprochement with China could, of course, work to some extent. But the West is capable of easily foiling that plan. For this, it is not necessary for it to go back on its word about expanding NATO: A few conciliatory steps in China's direction would be sufficient for the latter to distance itself from Russia of its own accord. In fact, China's willingness to enter into a rapprochement with us is most likely dictated by its tactical, not strategic, interests. And the latter lie on the plane of economics and the dispute over Taiwan, where Russia's significance for Beijing is minimal.

China has long been oriented on the West, at the same time carrying on a polemic with it. To speak seriously of China's reorientation is impossible in conditions where almost all of its trade is tied up in the West, Japan, and the ASEAN countries, when of the $260 billion (!) in direct investments in the economy of the People's Republic of China, just about all belong to countries close to the West—Hong Kong, Taiwan, Japan, and the United States.

Perhaps it is worthwhile, then, to set our hopes on a schism in Japanese-American relations? Hardly. Tokyo is not about to play along with anyone in anti-American games, especially Russia. Lately, relations between Tokyo and Washington have been informed by a paradoxical logic: The more acute the economic disputes, the stronger is the desire of both sides not only to preserve, but also to strengthen their military-political union. The Japanese-American summit meeting that took place almost simultaneously with our president's visit to China exposed to an even greater degree the asymmetry of the real and illusory possibilities.

Then maybe our chance is South Korea? But placing our stake in the development of Siberia and the Far East on

South Korea is not serious. There is no doubt about it—South Korea is a dynamically developing "tiger"; but Siberia and the Far East are too much for that one tiger to chew on its own.

It is most likely that Russia is again making forced moves, which are not the most rational ones. Instead of an orientation on major countries, especially Japan, which has in its day helped many countries to stand to their feet and which to this day plays the role of economic locomotive in the Pacific rim, we are searching for a replacement for it. Japan's share accounts for almost a quarter of all the economic aid to the developing world. In 1994 alone, it granted more of this aid than any other country—$13.4 billion—and its direct investments overseas exceeded $41 billion for the year. That same China in 1994 received more than $1 billion in preferential loans from the Japanese, and their direct investments in China amounted in the same year to $4.4 billion. One could argue that with Tokyo we have a blind alley in the territorial dispute. But who is to blame for that? I am convinced that it is not only the Japanese side. The nearer the elections approach, the more actively the "patriotic card" is being played with respect to the Kurils, with a clearly anti-Japanese subtext. One after another follow challenging declarations on the part also of those invested with the power of minister, who do not have the right to formulate state policy in such a delicate question as the territorial one. It is a familiar picture: Every ministry has its own foreign policy.

Even the position of the minister of foreign affairs has been clearly transformed from benevolently constructive to coldly neutral. In the summer, at one conference, speaking on the Asian situation, he tried agonizingly to determine Japan's significance for Russia, and the only epithet that he finally came up with was the word "neighbor."

The secret is simple. Foreign policy cannot be double-headed or bifurcated. Even more should it not be built on the contradictions between East and West. In exchanging our romantic-democratic slogans for national-patriotic ones, Russia does not gain anything. It is time to go over to pragmatic conceptions of foreign policy—that is the only chance for survival.

Political Issues

Aide Denies Yeltsin Illness 'Very Much More Serious'

LD0911143795 Moscow Russian Television Network in Russian 1400 GMT 9 Nov 95

[From the "Vesti" newscast]

[FBIS Translated Text] Sergey Medvedev, the Russian president's press secretary, today categorically denied reports by the American CNN TV company alleging that the Russian president's illness is very much more serious than reported.

[Begin Medvedev recording] As for the statements which have been made by unknown persons at unspecified times, within the CIA, let this remain on the conscience of the CIA.

We have told Bill Clinton that Boris Nikolayevich does not need specialized medical assistance. All the necessary equipment and specialists are here, in Russia, in the Central Clinical Hospital in particular. [end recording]

Yeltsin, Kozyrev Meet; Discuss International Issues

LD0911144395 Moscow INTERFAX in English 1319 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 9 (INTERFAX) — Russia's President Boris Yeltsin held a working meeting with Foreign Minister Andrey Kozyrev at the Central Clinical Hospital Thursday.

The president's press service announced that the two officials had discussed a wide range of international issues. A special accent was put on integration processes in the CIS, on the protection of Russia's interests in Europe, including in the Bosnian settlement, and on flank limitations in the context of the CFE [Conventional Forces in Europe] Treaty.

"President Yeltsin backed Kozyrev's efforts to coordinate Russia's foreign policy under the direct leadership of the Russian president," says the press service's press release.

Yeltsin Supports Kozyrev's Efforts

LD0911130295 Moscow ITAR-TASS in English 1241 GMT 9 Nov 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, November 9 (ITAR-TASS) — Russian President Boris Yeltsin supported the efforts of Russian Foreign Minister Andrey Kozyrev at coordinating the foreign policy activity under the guidance of the head of state. This is said in a report of the Presidential press service on the results of the Yeltsin-Kozyrev meeting just received by ITAR-TASS.

Resignation 'Not Discussed'

LD0911115295 Moscow ITAR-TASS World Service in Russian 1138 GMT 9 Nov 95

[FBIS Translated Text] Moscow, 9 Nov (ITAR-TASS) — The resignation of Russian Foreign Minister Andrey Kozyrev or his taking time off to campaign in the [State Duma] elections were not discussed during his meeting with Russian President Boris Yeltsin this afternoon at the Central Clinical Hospital. An ITAR-TASS correspondent learned this from well-informed sources in the Foreign Ministry.

Yeltsin Sets Up Chemical Disarmament Commission

LD0911140395 Moscow ITAR-TASS World Service in Russian 1312 GMT 9 Nov 95

[FBIS Translated Text] Moscow, 9 November (ITAR-TASS) — Russian President Boris Yeltsin has confirmed by decree the status of the Interdepartmental Commission on Chemical Disarmament [Mezhvedomstvennaya komissiya po khimicheskomu razoruzheniyu]. According to official documents received by ITAR-TASS today, the basic functions of the commission include drafting recommendations and proposals to the president and government of the Russian Federation on the main directions and organization of work linked to training the country for chemical disarmament, destroying chemical weapons stores, closing down or converting undestroyed production plants, providing for international inspections and implementing other international commitments in the field of chemical weapons.

Aide on National Security to the President of the Russian Federation Yuriy Baturin has been instructed to head the commission.

Yeltsin Forms Commission To Protect State Secrets

LD0911092995 Moscow ITAR-TASS in English 0850 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW November 9 (ITAR-TASS) — Russian President Boris Yeltsin who continues to undergo treatment at the Central Clinical Hospital signed a decree under which an interdepartmental commission for protecting state secrets is being formed under the law "On state secrets". The Presidential press office reported this on Thursday. First Deputy Prime Minister Oleg Soskovets has been appointed the Commission's Chairman.

Director of the Federal Security Service and Chairman of the State Technical Commission at the Russian President will become Deputy Chairmen of the Commission.

These posts are now held, respectively, by Mikhail Barsukov and Yuriy Yashin.

Yeltsin Urges Wider Dialogue With Chechen Population

LD0811141795 Moscow ITAR-TASS World Service in Russian 1315 GMT 8 Nov 95

[By ITAR-TASS correspondent Andrey Shtokh]

[FBIS Translated Text] Moscow, 8 Nov (ITAR-TASS) — "The meeting with Boris Yeltsin, which lasted about an hour, was mostly taken up by discussion of the situation in Chechnya," Vyacheslav Mikhaylov told ITAR-TASS. In an exclusive interview with the ITAR-TASS correspondent the minister for nationalities and regional policies said that "the discussion was very fruitful, and we concluded that Boris Yeltsin was fully and well informed about the situation in the Chechen republic."

The minister said that the president wanted to know how the provision of information on the normalization of the situation in Chechnya and on prospects for the settlement of the crisis was organized. The minister said that the head of state pointed out that it is necessary to widen the dialogue with the local population and to explain, using among others the mass media, the ideas of federalism and ways of developing the statehood of the Chechen republic within the Russian Federation.

Vyacheslav Mikhaylov said that the president was positive about the activization of the inter-Chechen dialogue and the measures taken by the National Rebirth government headed by Doku Zavgayev to this end. Boris Yeltsin said that he knew Doku Zavgayev as an energetic and rational man, who has a realistic assessment of the situation in Chechnya.

Asked by the ITAR-TASS correspondent whether Ruslan Khasbulatov's activities in Chechnya were also discussed, Vyacheslav Mikhaylov said that "the president shares the opinion that it is necessary to involve all the interested parties in settling Chechnya problem."

Mikhaylov said that the president very highly regards the activity of [Russian] Security Council Secretary Oleg Lobov, who is his plenipotentiary representative in the Chechen republic. In particular, the head of state fully agrees with Lobov that socio-economic problems and the payment of wages and pensions to Chechen citizens must be dealt with as soon as possible.

During his conversation with the ministers Yeltsin was eager to know how well Chechnya is prepared for the December elections to the State Duma. The president also asked who was nominated and how canvassing is organized, Mikhaylov said.

The continuation of the talks, which have begun between the Mikhaylov-led delegation and representatives of Dzhokhar Dudayev, was also discussed. According to the minister, Yeltsin confirmed that the talks on military issues should be held within the framework of the conciliation commission which was set up and which comprises representatives of the federal authorities and the Chechen side.

Mikhaylov said that Yeltsin inquired about the health of Russian commander Anatoliy Romanov who was wounded in a terrorist act in Groznyy. The president spoke warmly about him, saying that he has signed an edict awarding the commander the Gold Star of Hero of the Russian Federation.

Shakhray: Accord With Chechnya Nearly Ready

LD0911125095 Moscow INTERFAX in English 1117 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 9 (INTERFAX) — The drafting of a power-sharing agreement between the federal and Chechen authorities is nearing completion, Russian Deputy Prime Minister Sergey Shakhray, who chairs the president's commission for drafting such agreements, told INTERFAX.

The draft "will be based on all possible compromises to be found in the constitution of the Russian Federation," he said, adding that the draft agreement will have specific features, "because the conflict in the republic has evolved into a military one."

To quote Shakhray, state authority in all its entirety, with the exception of functions reserved exclusively for the Federation, must belong to the Chechen authorities. "In fact, it's the formula for political sovereignty," he said, noting that "the Chechen authorities will have more rights than leaders of republics which had earlier concluded similar agreements."

As the new agreement is a means of settling the situation in Chechnya, matters of the population's security, guarding of the border, transportation and economic rehabilitation must constitute the nucleus of the document, said Shakhray.

The draft says that the people of Chechnya will determine the system and structure of authority on their own. It also sets down the principle of taxing, which will allow Chechnya to reserve considerable capital for its own needs.

Shakhray said that although drafting of the document is nearing completion, he opposed its hasty signing, given its enormous importance. In his opinion, the new agreement must be discussed in detail by the federal authorities and political forces in Chechnya. "It's for the Chechen people to decide who will sign the document on the Chechen side," said Shakhray.

Sidorov Appointed First Deputy Foreign Minister

LD0911144795 Moscow INTERFAX in English 1319 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 9 (INTERFAX) — Vasiliy Sidorov has been appointed first deputy Russian foreign minister. He will coordinate the activities of the ministry's administration, well-informed sources in Moscow told INTERFAX on Thursday. Before his appointment Sidorov was first deputy of the Russian Ambassador at the United Nations.

According to the sources, the appointment was agreed upon on Thursday between President Yeltsin and Foreign Minister Andrey Kozyrev at their meeting at the Central Clinical Hospital.

Premier Ratifies Russian-Uzbek Commission Appointments

MM0911104195 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 5

[Russian Federation Government Directive No. 1414, signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 12 October 1995]

[FBIS Translated Text] 1. The following appointments are hereby ratified:

A.A. Bolshakov, deputy chairman of the Russian Federation Government, as chairman of the Russian section of the Intergovernmental Commission for Economic Cooperation Between the Russian Federation and the Republic of Uzbekistan;

V.M. Serov, Russian Federation minister for cooperation with the CIS states, as deputy chairman of the Russian section of the Intergovernmental Commission for Economic Cooperation Between the Russian Federation and the Republic of Uzbekistan;

M.Kh. Khusnutdinov, Russian Federation deputy minister for cooperation with the CIS states, as deputy chairman of the Russian section of the Intergovernmental Commission for Economic Cooperation Between the Russian Federation and the Republic of Uzbekistan;

V.I. Kryuchkov, head of a Ministry for Cooperation with Member-States of the CIS administration, as secretary of the Russian section of the Intergovernmental Commission for Economic Cooperation Between the Russian Federation and the Republic of Uzbekistan.

2. A.A. Bolshakov is to ratify the membership of the Russian section of the Intergovernmental Commission for Economic Cooperation Between the Russian Federation and the Republic of Uzbekistan following a submission from the Russian Ministry for Cooperation with Member-States of the CIS, coordinated with other interested Russian Federation ministries and departments.

Chernomyrdin Urges More Local Power

MM0811170795 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 pp 1-2

[Unattributed account of the "most important sections" of the report delivered by Russian Federation Government Chairman Viktor Chernomyrdin at the all-Russia conference of representatives of local self-government organs held in Moscow on 4 November: "Viktor Chernomyrdin: More Power Must Be Given to the Localities" — first three paragraphs are ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] An all-Russia conference with representatives of local self-government organs was held in Moscow last Saturday. The participants — mayors of cities of oblast and rayon importance, heads of administrations, local leaders — themselves represent a phenomenon that is gathering strength in the country's sociopolitical life. Russia's revival depends in very many ways on them. Because representatives of organs of power in the localities work in the midst of the people's life and have a real influence on the establishment of stability in society and the strengthening of statehood.

A report "On the Tasks of Federal Organs of Executive Power in the Implementation of the Federal Law 'On the General Principles of Organization of Local Self-Government in the Russian Federation'" was delivered at the conference by Russian Federation Government Chairman Viktor Chernomyrdin. The conference was a working conference. The prime minister's report offered practical recommendations concerning the activity of the federal authorities and those who work in the localities.

In today's issue of ROSSIYSKAYA GAZETA we publish the report's most important sections, which prompted an animated exchange of opinions at the conference. These problems require not only discussion, but practical action.

No Surprises

On 17 February 1995, Viktor Chernomyrdin said in particular, for the first time in our country's history an all-Russia conference devoted to questions of local self-government was held in the Kremlin, under the chairmanship of Russian President Boris Yeltsin.

On 29 August the Council on Local Self-Government under the Russian President was formed by edict of the Russian Federation president, and finally on 1 September 1995 the Federal Law "On the General Principles of Organization of Local Self-Government in the Russian Federation" came into force.

We must, V. Chernomyrdin said, proceed on the basis that is defined unequivocally by the Russian Federation Constitution — the organs of local self-government "do not form part of the system of organs of state power." The law makes provision for guarantees of the independence of the local self-government system.

It is therefore necessary today to agree on the optimum model of permanent interaction between state organs of executive power and local self-government organs. So that the government, in taking its steps, takes your interests and potential into account. So that your reaction to those steps is not unexpected to us, and our actions do not come as a surprise to you.

Contrasts and Experience — in Canada and Shakhovskiy Rayon

V. Chernomyrdin devoted a special place to proposals concerning experience, the knowledge and utilization of which directly determine people's prosperity and well-being in practice. And such experience can be found both abroad and here in our country.

In one region, Viktor Stepanovich said, there may be a permanent pre-strike situation among doctors, teachers, and other categories of budget-funded employees, while in another, medicine is at an excellent level and the teachers' pay is being increased, even if only a little, out of the region's own resources.

And there is experience in boosting production and creating your own budget base through a well-planned system of local taxes. Let me cite an illustration. In Canada recently I had a talk with the mayor of Ottawa. That is a city of 400,000 people, or, with the suburbs, nearly a million, just like our average city here in Russia. In the streets there is order and cleanliness; underpasses and bridges are being built on a large scale. All this is being done out of municipal budget funds, mainly on the basis of a flexible, detailed system of local taxes.

We too have finally begun to find reliable sources of finance for socioeconomic problems at local level. And it is working, as for instance in Moscow Oblast's Krasnogorskiy and Shakhovskiy Rayons.

On Experiments

Local self-government in the country is not being created out of nowhere. It is not a question of a repartition, so that every city or settlement could turn into a sovereign principality. V. Chernomyrdin particularly emphasized, in relation to self-government: You can move forward and work effectively, or else you can screw up....

In a number of regions of our country experiments have been in progress for a year now at the level of cities and rural rayons, under the leadership of the Russian Ministry for Nationalities Affairs, to develop systems and mechanisms for the activity of local self-government organs, the government chairman stressed. At the moment seven Russian Federation components are participating in these experiments, and 15 different local self-government models are being tried out. There is the organization of government in cities with different numbers of inhabitants (from 34,000, as for instance in Ryazan Oblast's Skopino, to 700,000 in Ryazan itself). There is the government of a border city (Blagoveshchensk in Amur Oblast), the joint government of border cities (Leningrad Oblast), and rayon self-government in border territory (in Pskov Oblast's Pytalovskiy Rayon).

The Government Started It...

The prime minister's speech went on to discuss specific Russian Federation Government measures in creating a mechanism for implementing the Federal Law "On the General Principles of Organization of Local Self-Government."

First and foremost, V. Chernomyrdin noted, we must complete the legal support for the activity of this most important democratic institution. It is necessary to draw up a whole package of additional federal laws, and regional laws alongside them, because we are talking about a matter that comes under the joint jurisdiction of the Russian Federation and its components. An expert study of existing laws must be carried out to determine their conformity with the Federal Law on Local Self-Government and eliminate the conflicts that exist. We will examine all the government's statutory and legal enactments from the same point of view. If necessary, we will both repeal laws and bring into force new ones that are oriented toward action.

The further elaboration of the Land Code is also impossible without taking into account the tasks facing local self-government. It is obviously necessary to endow local self-government organs with sufficient powers to resolve questions of municipal land use.

The leading place among sources of income for the territories' budgets should be the land tax and payment for the use of natural resources.

Why Social Standards Are Needed

Another concrete proposal contained in the report is connected with local social guarantees. Here is what V. Chernomyrdin said on this point.

It is extremely important to formulate state minimum social standards in those spheres in which social services are backed by Russian Federation constitutional guarantees. These are first and foremost: education, health care, the provision of housing for the disadvantaged, social provision for old age and disability, the provision of qualified legal aid for citizens, the provision of municipal services and of cultural and other services in the sphere of spiritual life, and ensuring an ecologically clean environment.

Legal Guarantees for Local Self-Government

There are tasks such that, if they are not dealt with, then the problems facing local self-government organs cannot be resolved. The prime minister put the elaboration and adoption of laws in this category.

The organs of state power of the Federation components must elaborate and adopt laws, V. Chernomyrdin noted, which safeguard in practice the constitutional rights of citizens to the exercise of local self-government. These legal and statutory enactments include: a law on the administrative territorial structure; a law on local self-government; laws on elections of local self-government organs and officials; on local referendums; on municipal service; on the procedure for the registration of municipal formations' local self-government charters; and a law on the procedure for the implementation of the right of legislative initiative by local self-government organs.

In Place of a Conclusion

The results of the conference, the Russian Government chairman summed up, must be backed up by action. The mastery of the science of local self-government is worth it. The shape of Russia's future depends on this. "More power must be given to the localities," the prime minister said in the concluding address.

The most important objective of our conference, V. Chernomyrdin stressed, concluding his report, is to lay the organizational foundations for the mechanism of interaction between the government and all branches of executive power, and the local self-government organs.

At federal level, in turn, the Russian Union of Local Authorities is formed on the basis of regional associations and unions of municipal formations. As the government's partner, it conducts a constant dialogue with them and is concerned with the preparation of proposals in the sphere of lawmaking, the formation of federal and regional programs for the development of local self-government, and the summing up and dissemination of leading experience.

...I am profoundly convinced, Viktor Chernomyrdin said, concluding his speech, that if local self-government works in Russia, then Russia will have order and stability.

Deputies, Livshits Comment on Central Bank Appointment

LD0811181095 Moscow ITAR-TASS in English 1637 GMT 8 Nov 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, November 8 (ITAR-TASS) — The appointment of Aleksandr Khandruyev as acting Central Bank Chairman "does not solve the problem," a State Duma deputy said.

Mikhail Zadornov, Chairman of the Duma Budget Committee, expressed the hope that Russian President Boris Yeltsin will promptly nominate a new bank chairman and submit his candidature to the Duma for approval.

"Only then will we be able to stabilise the situation in the financial sphere, but the interim measure appointing a new acting chairman of the Central Bank does not solve all problems," he said.

"The vicious chain of appointments of acting Central Bank chairmen can hardly satisfy anyone," he added.

Speaking about Khandruyev, Zadornov noted that the latter is "well known in banking circles and among deputies, and has been actively cooperating with the State Duma."

He said that "intensive consultations on this subject (Khandruyev's appointment) are underway and there is a chance that a new Central Bank chairman may be approved by the present Duma."

Sergey Glaziyev, Chairman of the Duma Committee for Economic Policy, stressed that the replacement of Tatyana Paramonova with Khandruyev will not entail any dramatic changes in the Central Bank's policy.

Khandruyev worked with Viktor Gerashchenko (former Chairman of the Central Bank of Russia). He and Paramonova are from the same team and his appointment will not bring about any serious changes in the country's banking system, he said.

Unlike Zadornov, Glaziyev believes that Khandruyev's appointment means that the question of the Central Bank chairman will be left for a new Duma. "The very fact that the Central Bank's acting chairman has been changed gets inflationary expectations very high," he said.

Earlier today, the president's assistant for economic matters Aleksandr Livshits told ITAR-TASS that Yeltsin will make his choice between the candidates for the post of Central Bank head in the very near future.

"President Boris Yeltsin will shortly decide on the submission for the State Duma's approval of a candidature for the post of chairman of the Central Bank of Russia, but there will be no automatic decisions — the circle of candidates is determined and it is up to Boris Yeltsin to choose the one who will be recommended for the post of the Central Bank head," he said.

Asked if Khandruyev's appointment as acting Central Bank Chairman means that he will be automatically nominated for this position, Livshits pointed out that "the very fact that Tatyana Paramonova has been relieved of her duties as acting Central Bank Chairwoman shows that Boris Yeltsin wants to see on this post a person appointed in accordance with the Russian Constitution and the federal law on the Central Bank."

"Tatyana Paramonova went through the procedure of voting in the State Duma, but, unfortunately, lost it. It would be a mistake to leave the situation as it is and, after a lot of contemplation, the president decided to relieve Tatyana Paramonova of her duties," he said.

Speaking about the possible impact of Khandruyev's appointment, Livshits said "dramatic changes or explosions are unlikely."

He noted that "Khandruyev is well known in Russian and foreign business circles. He is a predictable person and likely to continue the previous course in governing the Central Bank of Russia."

Professionalism of New Chairman Noted

LD0811180495 Moscow INTERFAX in English 1646 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — Aleksandr Khandruyev's appointment temporarily in charge of the Central Bank of Russia [CBR] means the Bank will be under "reliable professional control," presidential aide Aleksandr Livshits told INTERFAX on Wednesday.

He said the State Duma had twice rejected Tatyana Paramonova as the presidential nominee for CBR chairmanship. The aide said Yeltsin had contemplated for quite some time before taking the latest decision, now made public.

He described Khandruyev as a leading banker, well-known both in the country and the financial sector.

Asked why Khandruyev was put temporarily in charge of the Bank, unlike Paramonova who held the title of acting head, the aide said the decision would enable Yeltsin to postpone a final decision on the new nominee to be confirmed by the Federation Council.

Apart from saying it will not be long before a new candidate is named, Livshits did not elaborate. At the same time he said there was no time limit set on any official placed temporarily in charge.

Livshits also said the president had formally thanked Paramonova for her performance as acting CBR head. The aide said her name would go down in the history of the Central Bank and the country's economic reforms and pointed to the great contribution Paramonova made to the process of economic stabilization.

Interior Minister Kulikov Interviewed on Militia Day

LD0811223395

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1910 GMT on 8 November broadcasts a 45-minute recorded interview with Russian Internal Affairs Minister Colonel General Anatoliy Sergeyevich Kulikov by announcer Oleg Valukovskiy, to mark the day of the militia, to be celebrated on 10 November.

Kulikov was appointed to his present post three months ago. He says the Ministry needs more money and also appropriate laws to enable it to carry out its proper functions. "It is very difficult to fight crime when a number of directorates or regions fail to get wages for two or three months on end," Kulikov says.

"Unfortunately, there is no hope at all that we might get this money in the foreseeable future", the minister adds.

He continues: "In the current conditions, this is something we expect to carry on into the next year. We are working, and to my mind, our overall performance is not bad. For instance, our homicide detection rate is 74 percent. This is higher than in the leading Western countries. The average crime detection rate in our country is almost 65 percent, also a rather high figure, a testimony to the professionalism of our operatives", Kulikov says. He adds that his officers are very dedicated people, working for between 400,000 and 600,000 rubles a month for rank-and-file operatives.

Vakulovskiy asks Kulikov how much he gets a month. "Around 2 million rubles," the minister says.

As the relevant figures are flashed on the screen, superimposed on clips of crime-busting operations, Vakulovskiy says:

"Currently the state owes its Ministry of Internal Affairs 800 billion rubles — these are the debts for 1994. The cost of the measures in Chechnya amount to 1 trillion rubles. Resources needed to supply foodstuffs to military personnel amount to 1.5 trillion rubles, and 485 billion rubles are needed to index-link pay and allowances drawn by military personnel. The debts owing to the Ministry of Internal Affairs will exceed the sum of 3.6 trillion rubles by the end of the year — half of this money represents the pay and allowances which have not been paid to the military personnel."

Turning to the issue of corruption, Kulikov says corrupt officials will be brought to book. "This plague has now unfortunately become very widespread. Over nine months of the year, just over 2,000 people have broken the law, committed crimes, as far as the internal affairs bodies are concerned. Bribes account for approximately 40 percent of these crimes. Instances of abuses of one's official position account for more or less the same percentage," Kulikov says. Internal measures will be taken to ensure that corruption is rooted out.

Vakulovskiy asks the minister about the real extent of corruption in all the echelons of state.

Kulikov responds: "I can only say that this is indeed becoming a national disaster, that is to say, I confirm what the president has said." He adds that proper anti-corruption laws are overdue.

He continues: "When President Boris Nikolayevich Yeltsin visited our ministry at the end of August and said in his speech that the extent of crime in the country is now a factor threatening national security, he was absolutely right. Currently, it is indeed the case that crime and the extent of crime represent a threat to the future of Russia," although, he adds, the situation is not hopeless.

"We are now in a state of what can surely be called active defense, but we must go over to an offensive against crime", the minister stresses, adding that the incidence of homicide and grievous bodily harm is high. He says: "Last year we had 32,000 homicides and 67,000 crimes involving grievous bodily harm." Kulikov notes that alcohol is a factor in most cases of homicide.

Figures are again flashed on the screen, showing a favorable comparison between the number of crimes and crime detection rates for Russia, the United States, and Germany. The crime detection rate overall for Russia is 59.6 percent, with 1,779 crimes committed per 100,000 head of the population. Where cases of homicide are concerned, with 32,300 cases of homicide in 1994, Russia's detection rate was 74.7 percent, with 21.8 cases of homicide per 100,000 of the population. There were 67,700 cases of grievous bodily harm in Russia, with a detection rate of 69.7 percent and 45.8 such crimes committed per 100,000 of the population.

As clips of crime-busting operations are shown, Vakulovskiy says that the data given concerns 1994. The last set of figures shows that 186,500 crimes of robbery and robbery with violence were committed in Russia in 1994, with a 45.1 percent detection rate and 126 such crimes committed per 100,000 of the population.

Minister Kulikov says that now is not the time to alter the structure of the Ministry of Internal affairs or to undertake radical reforms, because the task at hand is to fight crime. Already this year, 200 militiamen have left the ministry's employ, and some 350 operatives have been wounded. The minister pays tribute to the professionalism and dedication of the ministry's personnel.

Kulikov says: "We estimate that we now have 5,000 organized criminal groups in the country. It is difficult to say whether this represents a large figure or not, because two or more people already constitute a group. However, we think that on average the numerical strength is between 20,000 and 25,000 people, members of these groups. Over the past 9 months we have eliminated 9 bandit groups." He adds that better results are still rquired.

Replying to Vakulovskiy's question on who would be responsible for supervising the main directorate to combat organized crime, Minister Kulikov says that, without a government decision, he is not within his right to appoint the first deputy, but he is within his rights to appoint an acting chief of the directorate to combat organized crime. Major General Valeriy Nikolayevich Petrov has been appointed to this post. "I hope he will be appointed first deputy," Kulikov says.

Asked about his political views, Kulikov says he wants to build a state based on the rule of law, and he wants this process to be an evolution.

The minister concludes the interview by sending greetings to operatives to mark their professional holiday.

Zyuganov Says Political Situation Dangerous

LD0811195895 Moscow INTERFAX in English 1848 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — Russian Communist Party leader Gennadiy Zyuganov characterized the political situation in Russia as very dangerous.

Meeting with management of the U.S. CNN media conglomerate in Moscow, he stressed that "amid the mounting systemic crisis the popular discontent has reached such a point that it cannot be coped with even by force, unless the present policies are changed."

Zyuganov expressed regret that western politicians fail to "understand the dramatic situation in Russia."

"NATO, enlarged or not, will not be able to ensure stability and peace in Europe. Communists are interested in good and neighborly relations between Russia and the United States," he said.

Zyuganov said that the main tasks of the Russian Communist Party for the near future are to ensure that elections to the State Duma are held on time and fairly, and that a broad coalition of patriotic forces excluding the radical left and right is formed as a result.

Such a coalition "would then put forward a single candidate for the Russian presidency and a team that would be able to lead the country out of the crisis."

Communists are "prepared to offer their candidates for such a team," said Zyuganov. He himself is "ready to play the role that would be necessary for the good of Russia and would correspond to the real political weight of the Communist Party in the Russian society."

Journalist Assesses Russia's Shaky Future

MS0911111395 London THE EUROPEAN in English 9-15 Nov 95 p 4

[Article by Aleskandr Anichkin, Assistant editor of IZVESTIYA, "Poorly Yeltsin Leaves Democracy On The Sick-Bed"]

[FBIS Transcribed Text] Tucked away in a closet I keep a casual suit covered with glue stains.

In August 1991 I was following the unfolding news of the communist coup in the offices of IZVESTIA, then an official Soviet newspaper, when a secret government cable came, saying that members of the state emergency committee, the junta, had fled Moscow.

This was the moment of victory for democracy in Russia. The people, led by Boris Yeltsin who appealed to them from the top of a tank, had thwarted the attempt to reverse the flood of change.

We at IZVESTIA stole the cable and rushed to make as many copies as we could, stopping only when the photocopier jammed because of overheating. Grabbing bottles of glue, my friends and I ran into the street, madly plastering the leaflets on walls and lampposts, reading aloud the news and handing out a few to the crowd.

That was over four years ago, and the feeling was that Russia had taken the right path at a crossroads of immense importance. The air was full of hope and excitement: We thought there would be no looking back.

Now we find ourselves back at the crossroads, once again facing the fateful moment when the future will be decided.

This time the atmosphere is not full of hope and jubilation, it is heavy with foreboding. As I write this article, diehard communists are marching through Moscow with their carefully dusted-down red banners, celebrating the 78th anniversary of the October Revolution which brought the Bolsheviks to power in 1917.

The difference today is that there seem to be more of them than at any time since the Soviet Communist Party was banned in 1991. The other difference is that having been allowed to register again, they have succeeded in giving the party a somewhat respectable social democratic look.

Nor is there any sign that Yeltsin will bounce back from the seclusion of his sick-bed. Today, the man who symbolised the unstoppable power of Russia's reform drive is seen largely as a Brezhnevian puppet leader, manipulated by aides who care more about their own survival than the issues facing the country.

It is not so obvious to the western eye, but Russia has become a painfully polarised society of the haves and have-nots. The paradox is that many people feel nostalgic for the regime which deprived them of their basic rights and needs, because it provided them at the same time with a system of social security: Flimsy humiliating and of poor quality it may have been, but it was there.

Now, with the wild market economy gripping Russia, there is no safety net, and thus there arises a massive electoral bloc ready to vote for anyone who promises to restore the old system.

With them are the "patriots" a hotehpotch of former Soviet high bureaucrats officially approved artists and Soviet army officers who feel deeply and sincerely humiliated by the demise of the Soviet superpower but who now find themselves on the same bandwagon with a pack of hoodlums whose only principle is Russia ueber

Alles. These people play on the fears of the masses of ordinary people who suffer the most.

On the other side are the decent, right-thinking people who appreciate freedom and personal responsibility above the paternalistic omnipresence of the communist state, as well as a substantial class of Russians, mostly professionals, who value meritocracy and have carved out a niche in post-Soviet Russian life.

The problem is that both sides are deeply dissatisfied with the status quo, the only difference being that the former want to go backwards while the latter are clamouring for progress

Russia's choice today is between going on towards a dynamic, democratic, open European nation, or going two steps back to a stagnating, tightly controlled, isolationist communist society, laced with Imperial Russia's fearsome supremacy complex, based on the Orthodox Church and xenophobia.

My own hope is that Yeltsin uses what is left of his authority to oversee the elections to the Duma, and then steps down in favour of a chosen successor and lets new men run for the presidency.

He would secure a place in the history books as the first Russian leader to break the chain of violence and brutality that has almost always preceded any change of guard in the Kremlin.

But even by casting my vote on the side of democracy and the peaceful transfer of power, I cannot guarantee that it will bring a better future to Russia. As a group of worried businessmen who want to put democracy on hold for fear of its bringing the wrong results pointed out in the past few days, peaceful democratic elections might bring the nationalist-communists to power.

So I will still keep my spoiled suit ready in case I need once again to run through the streets of Moscow crying for change.

Yeltsin Succession Issue Analyzed

964F0320A Moscow ARGUMENTY I FAKTY in Russian Nov 95 No 44, p 2

[Article by Natalya Zhelnorova: "Who Will Replace Yeltsin?"]

[FBIS Translated Text] The question of B.N. Yeltsin's political successor has been arising increasingly often and increasingly persistently lately. Indeed: Who runs the country when the president is in a sanatorium or a hospital bed?

The answer is seemingly obvious: Prime Minister Chernomyrdin. Especially keeping in mind that the RF [Russian Federation] Constitution (Article 92, Part 3) says: **"in all instances when the president of the Russian Federation is unable to perform his duties, they are temporarily carried out by the chairman of the government...."**

However, the unfailing persistency with which the prime minister emphasizes the distance between his powers and presidential powers, and his by now classic assurances that he will never set his sights on the presidential seat, evoke some doubt that this is so.

The Prime Minister Fears

Why such timidity? What is the problem? Is he just being sensitive toward a tired president? Or is it fear of vengeance from the presidential entourage that may actually be running the country? After all, someone prepares edicts, reshuffles personnel, schedules meetings.... And there were even instances when the prime minister learned of new appointments from journalists!

It is conceivable, however, that these are just the "pirouettes" of the presidential staff, which is afraid of the growing influence of the prime minister, not of Yeltsin himself. After all, who but the head of state could recommend that Chernomyrdin create the Russia Is Our Home [NDR] bloc in order to subsequently use the NDR parliamentary faction to strengthen not only the prime minister's position but also his own? And not only today, but also tomorrow. After all, somebody has to protect the former president—after he goes into well-deserved retirement—from the vicissitudes of political fate!

Naturally, "his man" at the helm of power is more precious for Yeltsin than any new one. Zyuganov, Lebed, or Zhirinovskiy, for instance.... To gain popular love, they may rashly hold the first president of Russia to answer "for breaking-up the USSR," "for selling off the motherland," "for shooting the parliament," and on top of that display an unhealthy interest in the political elite's participation in the division of property or, what is worse, wish to redistribute it.... Only absolute certainty that power will be transferred into safe, "friendly" hands will let Yeltsin retire with peace of mind. Retire—from the visits, air travel, constant stress from wars, scandals, and terrorist acts that have undermined the president's health. Which now has become the subject of yet another round of scandalous rumors both inside and the country and abroad.

Voices From Abroad

This is what foreign specialists say on this subject.

Ariel Cohen, the Heritage Foundation Russian affairs expert, is certain that illness is undermining Yeltsin's chances for a successful run at the presidency. Even before this, President Yeltsin was considered a very weak political figure in the sense of support by the Russian public. He possesses tremendous organizational talent, but his popularity is very low.

London University Professor Jeffrey Hocking believes that this is Yeltsin's fifth heart attack. "Russia will be in an unenviable position under the leadership of a president who is in poor health and is unable to go on foreign trips. He should weigh everything carefully and consider resignation."

Resignation

This word can be heard increasingly loudly both at antipresident rallies and from the lips of the opposition.

In keeping with the RF Constitution, persistent inability to carry out his duties by reason of poor health constitutes grounds for early termination of the powers of the head of state (Article 92, Part 2). "But Yeltsin's constitution," believes Oleg Rumyantsev, president of the Russian Foundation for Constitutional Reform, "deliberately skirts the question of how to establish this 'persistent inability.'"

Most likely, this decision is to be made by the Constitutional Court at the initiative of the State Medical Commission, appointed by the parliament. But the latter does not exist, and therefore a separate federal law on such a commission is urgently needed. The draft law, however, was shot down by the State Duma in the first reading back in May of this year.

A baffling situation arises: **There is nobody to establish the president's illness, and thus early termination of his powers.** Supreme authority can be indefinitely "temporarily carried out" by the chairman of the government. The presidential entourage, whose composition is not defined by any law, surely will also retain some powers.

Moreover, says O. Rumyantsev, until the current government surrenders its authority to the future president, **the highest executive authority can conduct all foreign and domestic policy at its own discretion and without any oversight.**

It has been a tradition from Lenin to Gorbachev that the departure of any leader causes huge political cataclysms in the country. Will we avoid this this time? Here again Chernomyrdin's figure arises on the horizon.

A Trick Also Is a Possibility

"It would be preferable," says Paul Goble, prominent American specialist on Russia, "that in the event of Yeltsin's withdrawal from politics, Prime Minister Chernomyrdin, who is appreciated as a man who does not make impulsive, hasty decisions, remain in power, at least for a while. At the same time, among the most likely candidates will be people who will offer 'quick and easy' solutions to complex problems. For instance, Yeltsin's departure right now will strengthen the positions of the Communists, Zhirinovskiyites, the Congress of Russian Communities, and Skokov."

Things are perhaps not so dramatic, though. Nikolay Gonchar, chairman of the Federation Council's Budget Committee, expressed an unexpected opinion. He does not rule it out that the president's sudden illness is nothing but a tactical move on the part of Yeltsin, hatched by him during his vacation, to enable him to look from the outside at the political scramble around the main seat in the country and realistically appraise his potential supporters and adversaries.

Media Issues

Yeltsin Issues Edict on Young People's Films, Videos

LD0811232595 Moscow ITAR-TASS World Service in Russian 1530 GMT 8 Nov 95

[FBIS Translated Text] Moscow, 8 Nov (ITAR-TASS) — Russian President Boris Yeltsin has issued an edict, "On the children, screen, and culture programme." The edict, the presidential press service says today, has been issued to create conditions in the Russian Federation for the spiritual development and moral upbringing of children, to strengthen the material and technical base of the Russian film and video industry, and to expand the hiring of cinema films for children and young people.

The signed document, the press service release says, expresses agreement with the main provisions of the children, screen, and culture Draft program drawn up by the International Fund for the Development of Cinema and Television for Children and Young People (the Rolan Bykov Fund).

The president has instructed the Government to finalize work on the draft program and provide a solution to the organizational and financial matters connected with its implementation. The program is designed to cover the period 1996-2000.

Military & Nuclear Issues

Decree 1052 on Latest Increase in Service Pay

MM0911092295 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 4

[Russian Federation Government Decree No. 1052 "On Raising the Pay of Servicemen, Rank and File and

Command Personnel in Internal Affairs and Tax Police Organs, and Workers in the Russian Federation Customs System," signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 30 October 1995]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. Pay based on military office (official pay) and pay based on military (special) rank prescribed as of 1 April 1995 for servicemen, rank and file and command personnel in internal affairs and tax police organs, and workers in the Russian Federation customs system as of 1 April 1995 is to be raised by a factor of 1.54 as of 1 September 1995.

Servicemen temporarily resident abroad are to be paid foreign currency from their wages minus the increase for which this decree makes provision.

2. The Russian Federation Ministry of Finance is to stipulate the amount and sources of funding for the expenditure involved in the implementation of the measures envisaged by this decree.

3. The Russian Federation Ministry of Labor, in conjunction with Russian Federation ministries and departments in which military service and service in internal affairs and tax police organs is envisaged by law and by agreement with the Russian Federation Ministry of Finance, is to submit proposals within a month to the Russian Federation Government regarding changes to current legislative and other normative decisions in respect of questions of the pay of servicemen, rank and file and command personnel, and equivalent individuals.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, the Kremlin, 30 October 1995
No. 1052

Russian 'Secret Cities' Congress Reported On

BR0811155595 Madrid EL PAIS in Spanish
7 Nov 95 p 8

[Report by Pilar Bonet: "From Nuclear War to the War of the Markets"]

[FBIS Translated Text] Moscow — Torn between their nostalgia for atomic bombs and the dream of joining the civil high technology market, the former "secret cities" of Russia that were created at the end of the 1940's and the start of the 1950's to produce and maintain the superpower's weapons are currently struggling to find a new identity and to find jobs for the elite scientists that used to be the pride of the USSR. These people who go starry-eyed when they remember the nuclear explosions that they prepared, now constitute a swarm of dissatisfied and badly-paid professionals who bear a lot of illwill against the country's current leadership.

These "secret cities" of Russia, a total of 35 municipalities that formed part of a single industrial military complex under the auspices of the Soviet Union, are now trying to find their own way out, like boats cast adrift at sea. At the end of last month, from 24-28 October, Moscow was the scene of an unprecedented event when the first congress of the closed cities was held. The 10 ultrasecret municipalities dependent on the Atomic Energy Ministry met to discuss their problems and exhibit the merchandise that they are now producing as a result of the reconversion of the military industry, ranging from carved wooden figures to alarm systems, to children's leotards and paste diamond jewelry. A total of around two million people live in the closed cities of Russia, one million of whom live in dependencies of the Russian Atomic Energy Ministry. The Moscow meeting did not exhibit any weaponry and excluded the 25 municipalities dependent on the Defense Ministry and the Military Industry Committee.

The closed cities are not yet shown on the maps but this is simply a result of inertia, since their location was detailed precisely in the advertising material that was heaped on potential customers.

What they offer is highly diverse: control systems for nuclear power stations, car batteries, wallets, biostimulators for vegetable growth, bottled mineral water, enriched uranium isotopes, highly radioactive waste, kitchen furniture, CD-ROMs, equipment for gas pipelines, mini oil refineries, plutonium 238 and polonium 210 neutron sources, dinner pails, containers for radioactive material, equipment for egg selection, and sheep skin tanners.

In their eagerness to open up to the outside world, the secret cities have been given more hospitable-sounding names than they received when they were founded, and for their representation in Moscow they have designed visiting cards in the form of pastoral videos and multicolored brochures.

Nevertheless, despite the great effort they are making to espouse normality, these towns, still surrounded by barbed wire are nevertheless both exotic bodies and centers of urban life and bear the imprint of the military enterprise they were based on. Seversk (Tomsk 7), a town of 110,000 inhabitants, was built around the Siberian Chemical Complex, an installation destined for the enrichment of uranium and the manufacture of plutonium. Nouvouralsk (Sverdlovsk 44), with a population of 95,000, was built around the electrochemical plant where nuclear weapons components were mass produced. Sarov (Arzamas 16) was the center for the design of nuclear warheads and is home to 83,000 people and the Russian Nuclear Center which leads Russian research in the design and modernization of atomic weapons and lasers.

In the wake of the international disarmament treaties that former Soviet President Mikhail Gorbachev negotiated in the 1980's, the military enterprises that were thus deprived of most of their business dedicated part of their freed-up capacity to disassembling their devices and ventured into new product areas.

The Russian Government currently does not have enough money for war or peace. Stepan Sulakshin, Vice Chairman of the Duma's Industry Committee that is responsible for the closed cities in the lower house, says that while in 1992 the federal budget funded 60 percent of the planned expenditure for military reconversion, in 1993 this fell to 40 percent, in 1994 to 20 percent, and this downward trend continues this year. Sulakshin points out that any significant technological progress realized in this sector has come from below thanks, in particular, to the small businesses that grew out of the ruins of the key industrial complexes.

In the giant military industrial firms the directors, accustomed to stable state subsidies, are learning the hard way how to draw up business plans and deal with financial instruments. Yuri Zavalishin, the director of the Avangard plant at Arzamas 16, the first factory to mass produce nuclear weapons, was once interested by one of the credits that the Spanish Government awarded to Russia, but claims he was forced to abandon his plans out of fear of the intermediaries.

Avangard produced the alarm system for Lenin's tomb in Moscow's Red Square and the one on Mikhail Gorbachev's dacha in Foros, Crimea. Today it manufactures security systems for nuclear plants and banks. The company is struggling to profitably produce milk production machinery that have come up against the crisis in the milk industry, and an artificial kidney that is having difficulty convincing a Health Ministry which Zavalishin claims is more interested in buying foreign-built dialysis machines than Russian-made ones. The Start company of Penza 16 used to produce security system to control the USSR's borders, but now manufactures communication modems for the new banks.

The closed cities are now suffering from their privileged supply positions in the past, even though the town officials boast that crime rates are lower there than in the rest of Russia thanks to the checks carried out to avoid terrorism and the theft of their nuclear and biological equipment. The cities even have choirs and dance groups. Among the singers in the folk choir at Trejgorni (Zlataust 36) are factory bosses who have gone unpaid for months.

While official unemployment rates in the closed cities vary from 2 to 9 percent, experts estimate that the actual figures are much greater given the empty factories and the plants that run only intermittently. The community of atomic power scientists is getting old now and there are no young people coming along to take their place, the youngsters preferring business to research.

Just like the rest of their countrymen, residents of the closed cities can now buy their own homes, but they only have a limited capability of turning this to their advantage by selling them or renting them out because of the restricted access to the cities. While there are some examples of successful international cooperation, such as the production of magnetic tape in association with BASF in Zelinogorsk, restrictions make it hard to establish relations with foreign partners.

Moreover, people are distrustful and afraid to deal with the West lest they lose the technological capacity they inherited from the Soviet military industry. Professionals in the Russian military industry commonly believe that continued military research is essential to maintain technological development in Russia and prevent the country from becoming a "colony" of the United States.

One of the delegates at the Moscow congress mentioned the International Center for Science and Technology founded by the EU, the United States, and Japan to support the reconversion process in the former USSR, and said that "behind the scenes a war is being waged on the areas" in which this organization will fund projects. He pointed out that the West is trying "to exclude the Russians from military areas and to break up the scientific communities by selective support for projects." The center has so far funded more than 100 reconversion projects, including one for the peaceful use of plutonium, and the reconversion of the bacteriological weapons industry to vaccine research.

Reserves of "Patriotism"

The inhabitants of the "closed cities" regret the destruction of the Soviet Union because their lives and well-being were dependent on the state. Nuclear physicist and Duma member Stepan Sulakshin claims that because of their view of patriotism they are disinclined to vote for the reformist parties and will more often than not vote either for the Communists, the Congress of Russian Communities, or the Liberal Democratic Party of Russia led by the nationalist Vladimir Zhirinovskiy.

There is currently an open debate in the Russian scientific community as to the role the post-Soviet state has to play in defining a development strategy for the country.

The debate has cast light on the different views of the future of the closed cities which feel they have come to a crossroads between continuing to lead the way in the nation's scientific research — as they were when they were in the forefront of military projects — or of resigning themselves to languishing as real provincial towns.

Final Part of Barynkin Article on Defense Published

MM0611172495 Moscow KRASNAYA ZVEZDA in Russian 2 Nov 95 p 2

[Second and final part of article by Doctor of Military Sciences Colonel General Viktor Barynkin, chief of the Russian Federation Armed Forces General Staff Main Operations Directorate, under the rubric "Military Organizational Development: Problems and Opinions": "2. When the Army Is an Outcast. The Sharp Reduction in the Armed Forces' Strength Will Not Yield the Desired Economic Effect on a State Scale"]

[FBIS Translated Text] The democratic transformations that have taken place in our country recently have had a substantial impact not only on our social life but also on the political climate in the world. The bonfire of world war fanned over the decades has been extinguished. Russia, for the first time in many years, has no visible enemy! Millions of Russians, who had lived in a state of tension for many years and had devoted the last kopek of their earnings to defense — "just so long as there is no war" — at long last could breathe freely.

But this turn of events prompts, along with a sense of freedom from the excessive burden of military spending, a desire on the part of citizens to know how the organizational development of the Armed Forces is proceeding in the new conditions and what "those military" are currently doing. And this is natural. After all, ever since 1992, in other words, from the moment they were formed, on this issue we have been running up against problems that perturb not only us military but also the whole of society.

Insistent calls to reduce to a minimum what is allegedly the state's most expensive body — its Armed Forces — have become familiar today and no longer grate on many people's ears. As though large-scale military threats to Russia from abroad have been irrevocably succeeded forever by merely local problems over protecting border territories. Is this not the reason why the organizational development of the Armed Forces increasingly occupies an albeit important but, unfortunately, it seems to me, no longer paramount role within the overall system of Russia's military organizational development. Development priorities are increasingly clearly shifting to other power structures, whose strength and composition are growing at a faster pace, and their material well-being is increasing. However, to some extent the state is getting the money to develop these power structures by reducing expenditure on the Armed Forces. This is leaving aside the fact that a great deal has changed even in the nature of the Russian soldier as defender of the homeland from external threats. The former understanding that men in military uniform were inextricably connected with the Armed Forces alone is gradually becoming a thing of the past. People in uniform performing tasks to stabilize the situation on their own territory are gradually coming to the fore. This is what we see increasingly often on our television screens.

Of course, all these are very complex processes which clearly cannot be assessed unequivocally. And one of the most complex problems is that along with creative work, Russia is compelled to continue to overcome the consequences of the disintegration of the former USSR. We have somehow begun to forget this. Yet the military infrastructure established over the years has been disrupted. Defense industry enterprises, military camps, airfields, ports, railroads and highways, and oil and gas pipelines skillfully and carefully knitted into the territory of the Soviet Union have been cut off from each other. As a result of the division each new sovereign state has inherited only part of the whole. But what can you do with a vehicle without wheels and doors? Repair it? Or start to build a new vehicle? Or maybe both at the same time. But where is the money to come from?

Questions, questions.... Just think, the Russian Armed Forces were placed in a situation where it was necessary to create command and control and combat and mobilization readiness systems and troop groupings practically from scratch.... And the decrease in the distance between the border and the capital meant that Moscow and North Caucasus Military Districts, which had been internal districts, became border districts. The length of the state border in the zone of responsibility of the Leningrad Military District increased by over 400 km. And an enclave grouping of troops (forces) emerged on the territory of Kaliningrad Oblast. It was necessary to organize rear services and technical support in a new way and to resolve other organizational questions.

At the same time the Armed Forces also had to fulfill international commitments since Russia had proclaimed itself the legal successor to the USSR. Thus under the Treaty on Conventional Forces in Europe the quantity of arms and military equipment has now been reduced by over 3,300 tanks, 5,800 armored fighting vehicles (infantry fighting vehicles, armored personnel carriers, armored reconnaissance vehicles), 830 artillery systems with a caliber of over 100 mm, 840 warplanes, and 60 attack helicopters. Furthermore, additional reductions are taking place beyond the Urals, and also under the START I treaty. As of today 513 launchers, 17 strategic missile submarines, 58 strategic bombers, and a large number of intercontinental ballistic missiles have been eliminated.

Colossal work was also carried out to withdraw Russian troops to the national territory and to station and provide facilities for them. The scale, tight deadlines, and great spatial extent of this work are unparalleled in the history and practice of any country.

Over the past period military bases for Russian troops have been established on the territory of a number of CIS states by agreement with them. Work is now under way to enshrine these bilateral understandings in juridical form.

The Russian Federation Armed Forces are also performing peacekeeping functions in the Dniester region, South and North Ossetia, Georgia, Tajikistan, and also Yugoslavia before the eyes of the whole world, so to speak.

The foundation of the legislative infrastructure has been prepared virtually from scratch. I cannot say that it is perfect. But the deputies, in my view, are working vigorously to bring it into line with the demands of the present day, which is very important for the Armed Forces, other troops, and the defense complex of the Russian Federation as a whole. But....

Unfortunately, lacking adequate funding, the Armed Forces were originally unable to carry out large-scale structural changes. Nevertheless, the table of organization structure of central organs of military management, large strategic formations, combined units, and units of branches of the Armed Forces was improved. A new method of manpower acquisition has been assimilated, and research work was intensively carried out to determine the future structure of the Army and Navy most in accordance with contemporary requirements.

I may have missed something, but I think these are the main directions in the reform of the Armed Forces which it has been possible to implement. Although, of course, the number of them can scarcely satisfy us. Furthermore, many plans unfortunately still exist only on paper. Why? The figures show that the sums earmarked in the federal budget both this year and for next year for the organizational development and maintenance of the Armed Forces are barely enough to ensure survival. In other words, no matter how paradoxical it may sound, there will simply be no question of any practical cardinal reforms in the Army!

After reading those lines, some people may think: The generals are again complaining of a shortage of money. But unfortunately the era of market relations that we have entered is dictating its own rules. It is impossible for the whole country to live according to market laws while maintaining the Army, figuratively speaking, according to socialist laws. But at present that is exactly what is happening. And in the opinion of the ordinary Russian citizen, one solution for the financial support of the Armed Forces could be the further reduction of their size. So that they are not a burden on the state's economy. This appears logical. But, as is well known, reductions are already under way. Thus, in the last four years the Armed Forces have decreased by over 1.1 million men, but the state has so far derived no advantage from this. Why? The point is that this is an expensive process. The expenditure on discharging, say, 1,000 officers, according to our calculations, already exceeds the possible cost of keeping them in the Army for the next four or five years! After all, in addition to severance pay, the provision of housing for discharged servicemen, and their transportation to their new abode, there is also a need for expenditure on changing the composition and structure of the Armed Forces, disbanding and redeploying the reduced formations and units, and transporting the released arms and military equipment. So in the immediate future a further reduction of the size of the Armed Forces will not produce the desired economic effect on the state scale. Furthermore, some of the discharged servicemen will switch either to the other power ministries and departments, which, unlike the Armed Forces, are expanding, or to the nonproduction sphere of activity. And therefore their pay will come from the same state budget as before.

Furthermore, a reduction in the size of the Armed Forces will require additional expenditure. According to preliminary calculations, it will be necessary to find at least 4-5 trillion rubles (in 1994 fourth-quarter prices) for this purpose. And the draft budget for 1996 simply makes no provision for this kind of money.

The following circumstance also clearly has to be considered. In cutting the size of the Armed Forces, we are objectively forced to disband large strategic formations and units but forget that their places of permanent deployment are integrated to quite a high degree with the infrastructure of the relevant region of Russia, which has met the vital and social and everyday needs of the local population as well as the troops. As a result additional problems arise with jobs and vital services for the local civilian population.

Lately we have been accustomed to looking to the West and taking models for imitation from there. Okay, let us see how they resolve similar problems. Strange though it may seem, foreign states, even though there is no longer a "communist threat from the East," are in no hurry to get down to cutting their own defense structures in earnest. For instance, from 1993 to 1995 nine out of 14 NATO countries (Turkey, France, Italy, Greece, Spain, Canada, Norway, Portugal, and the Netherlands) increased their military spending by $6.7 billion, which by no means indicates a desire on their part to lower armaments levels. Yet those countries include neighbors of ours!

In our country the lack of adequate appropriations, the marked lessening of the attention paid to the Armed Forces' needs and requirements, and also the failure to implement earlier decisions on military questions, to put it mildly, nullify most plans for their reform. These miscalculations regarding the Army and the Navy will inevitably take their toll in the future whenever there is the slightest deterioration in the military-political situation surrounding Russia. And nobody must forget this!

In conclusion, an instructive true-life incident, so to speak. A military academy student was once asked: What lesson have you learned from Russia's military history? The answer was unexpectedly short: Russia was not ready for the 1612 war, it was not ready for the 1812 war, it was not ready for the Crimean war, it was not ready for the 1914 world war, and it was not ready in 1941 either. Well, this student was clearly quite an eccentric. But you could scarcely accuse him of sinning against the truth. History itself provides us with an object lesson that in the overwhelming majority of cases military aggression against Russia has been carried out when the country has been experiencing hard times and when its army has had the status of outcast or mere ornament for military parades. It is appropriate at this point to cite the famous words of V. Klyuchevskiy: "History is not a teacher but a supervisor..., it teaches nothing, but merely punishes you if you have not learned your lessons." Have we not had enough punishments — surely it is time we drew at least some conclusions from our own mistakes?

Federal Assembly

Court Asked To Rule on 5-Percent Electoral Threshold

AU0911103895 Paris AFP in English 1019 GMT 9 Nov 95

[FBIS Transcribed Text] Moscow, Nov 9 (AFP) — The constitutional court in Russia, where parliamentary elections are to be held in a month, has been asked to examine the legality of an article requiring parties to get five percent of the vote to enter parliament, a court spokesman told AFP Thursday [9 November].

Article 62 of the electoral law includes the requirment for parties to get at least five percent of the vote to qualify for entry into the parliament.

President Questions Extent of Parliamentary Immunity

MM0911091895 Moscow ROSSIYSKIYE VESTI in Russian 9 Nov 95 p 1

[Unattributed report from the "President" column: "Deputy's Seat No Protection From Justice"]

[FBIS Translated Text] Boris Yeltsin has sent a query to the Constitutional Court on the constitutionality of a number of provisions of the law "On the Status of Federation Council Deputies and Russian Federation Federal Assembly State Duma Deputies." These relate to deputies' immunity. In the president's opinion, the way that the law on the status of deputies expands the framework of immunity not only violates the Constitution but distorts the concept of deputies' immunity.

Our Note

ROSSIYSKIYE VESTI was told by the Russian Federation Presidential Press Service that, in sending this query, B. Yeltsin was proceeding on the basis that deputies' immunity is a generally recognized principle that ensures parliamentary freedom. But the head of state shares society's concern that deputies' seats have started to attract criminally oriented people who are trying to use parliament to hide from justice.

Federation Council Views 1996 Budget Documents

MM0811162795 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 5

[Unattributed article from the "Documents" section: "What Will January Bring Us? So Far There Are Still Many Gaps in 1996 Budget"]

[FBIS Translated Text] The Federation Council has adopted a number of documents connected with the federal budget for 1996. The statement "on the situation regarding the preparation and adoption of the draft federal law 'on the federal budget for 1996'" and the decree on the draft law "on the federal budget for 1996" both assess positively the efficiency in the work of the Russian Federation Government. Thanks to this the upper chamber of parliament has been able to familiarize itself in good time with the draft budget.

At the same time the Federation Council noted that the submitted budget projections for 1996 have failed to give real financial backup for measures to execute previously adopted federal laws "on veterans," "on purchases and deliveries of agricultural output, raw material, and food for state needs," "on state guarantees and compensations for persons working and living in the regions of the Far North and areas put on a par with them," and others.

Nor has full account been taken of the provisions of the Russian president's message to the Federal Assembly "on the effectiveness of state power in Russia" or the fundamental guidelines of budget policy in 1996.

It is noted that the level of the initial economic parameters placed at the basis of the indicators of the draft federal budget for 1996 (level of inflation, volume of revenue sources, and other parameters) is unrealistic.

The intensification of the trend toward the concentration of financial resources in the federal budget, as borne out by the growth of the federal budget revenue in the consolidated budget from 47 percent in 1994 to 48.1 percent in the first half of 1995 to 49.4 percent according to the draft federal budget for 1996 contradicts the present role of the components of the Russian Federation.

The inadequacy of financing for budget items like social expenditure, national defense, and the agro-industrial complex was also noted. At the same time the budget appropriations envisaged for financing expenditure in the Chechen Republic are premature in view of the lack of a political decision on this issue.

For further work on the draft federal budget a number of deputies has been included in the conciliation commission.

The Russian Federation Government has been asked to coordinate the draft federal budget for 1996 with the organs of state power of the components of the Russian Federation and to elaborate a draft federal law on financing restoration work in the Chechen Republic for the fourth quarter of 1995 and for 1996.

The Russian Federation president has been asked to create a special commission for questions of the further development of budget federalism, including in it representatives of the Russian Federation Government, the Federation Council, and the Russian Federation Federal Assembly State Duma.

Glazyev Reportedly Against Draft Budget

LD0911130395 Moscow ITAR-TASS in English 1212 GMT 9 Nov 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, November 9 (ITAR-TASS) — Chairman of the Duma committee for economic policies Sergey Glazyev intends to call on the State Duma to reject a draft budget for 1996.

Glazyev, known in parliament as a strong critic of current economic policies pursued by the cabinet, addressed a news conference held in the State Duma today, calling into question conclusions made by a Conciliatory Commission set up to coordinate key provisions of the draft budget for 1996. The commission came out in support of government policies aimed at financial stabilization of the rouble.

Glazyev pointed out that the conciliatory commission "was insisting on artificially slow inflation rates." The Conciliatory Commission, which consists of representatives of the government and both chambers of the Russian parliament, assessed the draft budget, stemming from average monthly inflation rates of 1.9 per cent, while main economic Centers of the country had predicted inflation rates to reach 3-5 per cent.

Glazyev also expressed criticism of another decision adopted by the Conciliatory Commission which came out against establishing state monopoly on sales of ethyl alcohol, tightening control on the market of alcohol beverages and restricting alcohol imports.

Nevertheless, Glazyev did not rule out that the State Duma would accept the conclusions made by the Conciliatory Commission and adopt the 1996 draft budget in the first reading.

Debates on the draft budget for 1996 will be continued by the State Duma at its next session on Friday.

Yeltsin Sends Criminal Codes Back to Duma

MM0911113095 Moscow ROSSIYSKIYE VESTI in Russian 9 Nov 95 p 1

[Unattributed report from the "President" column: "Chambers Told To Settle Differences"]

[FBIS Translated Text] Boris Yeltsin has sent back to the State Duma the criminal Code and draft changes to the Code of Criminal Procedure, as well as a law on the procedure for implementing the Criminal Code. In a letter to Speaker Ivan Rybkin the president explained that these documents could not be signed because they had been rejected by the Federation Council on 4 October 1995.

Our Note

According to ROSSIYSKIYE VESTI's information, B. Yeltsin has already repeatedly suggested that the Federal Assembly chambers settle their differences. But this has not been done. On 27 October this year the State Duma adopted the decision to submit a query about the

Code of Criminal Procedure to the Constitutional Court. Consequently, the president will reconsider the law on changes to the Code of Criminal Procedure only after the Constitutional Court has ruled; he will consider the Criminal Code and the law on the procedure for its implementation once the procedure for the adoption of federal laws is observed.

Duma Backs Aid for Russians Refugees in Chechnya

MM0911102795 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 4

[State Duma Decree under the heading "Monetary Aid for Refugees": "On Emergency Measures To Provide Financial Assistance for Russian Federation Citizens Wanting To Leave the Chechen Republic," signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma, and dated 13 October 1995]

[FBIS Translated Text] The Russian Federation Federal Assembly State Duma decrees that:

1. The Russian Federation president and the Russian Federation Government are advised to take emergency steps to fund the departure from the Chechen Republic of Russian Federation citizens who have expressed a desire to move to other regions of the country for permanent residence via the targeted use of the federal budget funds being channeled into the restoration of the Chechen Republic economy (including compensatory payments for loss of housing).

2. The State Duma Committee for Federation Affairs and Regional Policy and the State Duma Committee for the Budget, Taxes, Banks, and Finances in conjunction with interested ministries and departments are to prepare proposals regarding a draft law regulating state support for citizens who have expressed a desire to leave the Chechen Republic and submit them to the State Duma by 15 November 1995.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] Moscow, 13 October 1995
No. 1192

Regional Affairs

Chechnya Reportage; Military, Negotiations, Politics

POW Agreement Reached in Groznyy

LD0911130495 Moscow INTERFAX in English 1117 GMT 9 Nov 95

[FBIS Transcribed Text] GROZNYY, Nov 9 (INTERFAX) — An agreement to exchange 14 Russian servicemen captured by Dudayev's men for 147 detained Chechen militants in the next three days was reached in Groznyy on Thursday at a working meeting between spokesmen for the federal forces and Dudayev loyalists.

The two delegations were led by Deputy Commander of Defense Ministry troops stationed in Chechnya Maj. Gen. Viktor Vlasenko and Dudayev's Interior Minister Kazbek Makhashev.

At their meeting Friday they will discuss technical details of the proposed exchange, they told reporters.

Village Demands Russian Troop Withdrawal

LD0811192595 Moscow ITAR-TASS World Service in Russian 1340 GMT 8 Nov 95

[By ITAR-TASS correspondent Aleksandr Kharchenko]

[FBIS Translated Text] Avtury, Chechen Republic, 8 Nov (ITAR-TASS) — A complex situation has taken shape in the locality of Avtury, which is situated 30 km southeast of Groznyy. During the last few days the local population has been gathering in rallies demanding that the federal forces be withdrawn from the region.

Major General Viktor Vlasenkov, deputy commander of the joint group of federal forces in Chechnya, met representatives of the locality today. The meeting was held in a tense atmosphere, 1 km from the village in an open field.

The participants in the rally formed a long chain extending to the outskirts of the village. Insults against servicemen have been heard. They are accused of "killings." However, it was in this village, where a subdivision of the 276th Motor-Rifle Regiment is deployed, that three servicemen died on 3 November as a result of a mine explosion.

The nervous atmosphere of the meeting prevented any compromise decisions being made. It was decided to continue the meeting on 10 November.

Mikhaylov Meets With Yeltsin 8 Nov

LD0811182595 Moscow INTERFAX in English 1646 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — President Yeltsin's meeting with the interior and nationalities ministers lasted for almost an hour and proved remarkably productive, Nationalities and Regional Policy Minister Vyacheslav Mikhaylov told INTERFAX Wednesday.

Mikhaylov said Yeltsin looked well. Despite the fact that the doctors allowed only 30 minutes, the meeting lasted for about an hour.

"The president was in a good mood. You could tell he was very well informed of all issues tackled by our ministries," he added.

Mikhaylov said Yeltsin was highly critical of the progress of delivery of food and consumables to Russia's northern regions. Yeltsin's questions showed his awareness of the situation, Mikhaylov added. In particular, Yeltsin showed much interest in how humanitarian aid was distributed in Chechnya. He harshly criticized the two ministers for their failure to improve the lot of ordinary people.

Yeltsin supported promotion of the dialogue on Chechnya settlement, Mikhaylov said.

Speaking on the performance of Doku Zavgayev's government, Yeltsin agreed with Mikhaylov who described his activity as "constructive enough," especially in the resolution of local issues and preparation for the upcoming winter.

According to Mikhaylov, Yeltsin stressed the need to more widely promulgate the essence of the renewed federation and the significance of treaties signed with the authorities of Tatarstan, Udmurtia and other internal republics.

Mikhaylov said Moscow could sign an agreement with the Chechen government this month. The agreement will precede a full-fledged power-sharing treaty, he added. The document will reflect the principles of division of powers and other political and economic issues of fundamental importance.

Yeltsin was interested both in Chechnya's military and political problems and in the supply of its districts with food, in particular with bread. He asked the two ministers to provide a specific report on the progress of repairs in Chechnya, specifically on housing construction. Yeltsin was also interested in Chechnya's parliamentary candidates and political parties who will run for the State Duma next month.

Mikhaylov: No Need To Transfer Talks

LD0911125295 Moscow INTERFAX in English 1117 GMT 9 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 9 (INTERFAX) — Chief Russian negotiator at talks on settling the Chechen crisis Vyacheslav Mikhaylov sees no need to transfer the site of talks outside Chechnya.

Mikhaylov was commenting during an interview with INTERFAX Thursday on former speaker of the Russian parliament Ruslan Khasbulatov's suggestion that talks between Dudayev's representatives and Russian officials be held in Moscow not Groznyy.

The federal authorities, Mikhaylov pointed out, "are not engaged in bilateral negotiations with Dudayev's representatives on resolving the crisis politically," as some politicians maintain. "There can be no such negotiations," he said.

According to Mikhaylov, talks on political issues can be held only on a multilateral basis with the participation of Dudayev's representatives, political parties, spokesmen for the Chechen public and clergy, and representatives of federal government in the role of guarantor and mediator. In this case the location of the talks is of no importance, he said.

Separatists Ready To Resume Talks

LD0811142095 Moscow ITAR-TASS in English 1309 GMT 8 Nov 95

[By Sharip Asuyev and Aleksandr Kharcgenko]

[FBIS Transcribed Text] GROZNYY, November 8 (ITAR-TASS) — Chechen separatists on Wednesday said that they were ready to resume peace talks on condition that Russian forces stop combat actions.

"We are ready to resume any time talks on the peaceful settlement in Chechnya, but we demand solid guarantees that federal troops stop immediately all combat actions, shelling and blockading settlements," Chechen top negotiator Khozh-Akhmed Yarikhanov told reporters.

Yarikhanov praised efforts by former Russian parliamentary speaker Ruslan Khasbulatov to contribute to the peace process in Chechnya.

Yarikhanov Criticizes Inactivity at OSCE

LD0811190295 Moscow NTV in Russian 1600 GMT 8 Nov 95

[From the "Segodnya" newscast; passages within quotation marks recorded]

[FBIS Translated Text] [Correspondent Arkadiy Mamontov] Khozh-Akhmed Yarikhanov, the co-chairman of the special monitoring commission for the peace negotiations in Chechnya, made several important statements clarifying the position of the Dudayev delegation to the peace talks in Groznyy.

[Yarikhanov] "We have not yet been able to receive a reply to our demand for a guarantee that military actions have stopped. This is the main problem and the reason why we have not begun talks and why the special monitoring commission has not begun work."

[Mamontov] Yarikhanov also made a statement that the Organization for Security and Cooperation in Europe [OSCE] mission in Groznyy is not carrying out its duties:

[Yarikhanov] "Mass violations of human rights are continuing and the OSCE mission based here has made no reaction at all recently, maintaining a deathly silence. Moreover, they serve as a kind of screen for the excesses going on here. World opinion is deluded as it thinks that processes here are being monitored by an international organization."

[Mamontov] As for the future of the missing Russian servicemen who were guarding Aslan Maskhadov, Yarikhanov said that Maskhadov's people were doing everything to find them and made some suggestions about their whereabouts:

[Yarikhanov] "There are some unconfirmed rumors that they are being held by the relatives of those who died in the bombing of Roshni-Chu."

[Mamontov] Asked whether elections to the State Duma would take place in Chechnya, Yarikhanov replied unambiguously:

[Yarikhanov] "There will not be elections to the State Duma in the Chechen Republic, not in the area that we control or areas controlled by anyone else. There will be no elections here."

[Mamontov] A working meeting is proposed tomorrow between General Viktor Vlasenkov, the head of the main staff of the federal troops in Chechnya, and Aslan Maskhadov, the chief of staff of Dudayev's formations, when issues relating to the military package in the peace accord are likely to be discussed.

Dudayev Denies Resignation Will Bring Peace

LD0911093395 Moscow ITAR-TASS in English 0908 GMT 9 Nov 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, November 9 (ITAR-TASS) — Dzhokhar Dudayev still claims that his withdrawal from the political arena will not contribute to the peace process in Chechnya. Moreover, he fears that his resignation will aggravate the situation still more.

In his exclusive interview with ITAR-TASS, arranged on the eve of the anniversary of his inauguration as Chechen President (November 9, 1991), he said: "Today, there are more than 300,000 men aged from 17 to 50 in Chechnya, who now have no roof over head, no food, and no jobs. They still have faith in me and heed my saying. If I step down, control over the situation will be lost and these people will run amok and seek those guilty of their tragedy, primarily among their fellow-countrymen, who have brought this disaster to Chechnya. Internecine feuds will begin, which will be fraught with a new, even more terrible tragedy for our people."

Dudayev believes that the crisis could be settled "only if Russia recognises the right of the Chechen people to decide their future themselves. Any other way leads into an impasse".

Asked how, in his opinion, the present situation could be overcome, Dudayev said that he could only repeat the statement he made four years ago: "Only the people themselves can and must decide by means of a referendum the question of whether the Chechen Republic should be a part of Russia or not."

Yarikhanov: No Duma Elections in Chechnya

LD0811150795 Moscow INTERFAX in English 1317 GMT 8 Nov 95

[FBIS Transcribed Text] GROZNYY, Nov 8 (INTERFAX) — Head of the Dudayev delegation to the Groznyy talks Khozh-Akhmed Yarikhanov excludes the possibility of Duma elections in Chechnya.

"There will be no elections on December 17 in Chechnya," Yarikhanov told correspondents in Groznyy Wednesday.

"The question of Chechnya's status should be clarified" before the election campaign, he said. Yarikhanov believes this is hampered by the federal authorities, which have stopped political negotiations.

Doku Zavgayev, leader of the Russian-backed government in Chechnya, disagrees. "There is a prospect" for Duma elections in Chechnya. Zavgayev told INTERFAX there is still time to prepare for the elections. "We must first create minimum conditions for the population, take anti-crime measures, and achieve termination of hostilities," he said.

In Zavgayev's opinion, the situation may ease up by the time of the elections in regions currently controlled by the militants.

Meanwhile, Chechnya's only electoral district has registered eight candidates to the State Duma, reports the Chechen Central Electoral Commission.

Political Solution Seen As Necessary

LD0811161895 Moscow INTERFAX in English
1317 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — The Chechen problem should be settled by political means, says a statement of the Congress of Russian Communities signed by Congress leaders Yuriy Skokov and Aleksandr Lebed and passed to INTERFAX Wednesday.

"If our Moscow leaders are unable to do it, our army, our brothers in uniform must not pay with their blood for the mistakes and crimes of politicians. We do not need more orphans, widows and unfortunate mothers," says the statement.

Russian servicemen "are one of the most deprived social categories in our society. Misery, hopelessness and the absence of any prospects is the reality faced by the majority of Russian officers. Scarce monetary and other allowances are delayed. Permanent undernutrition and even hunger in the Russian Armed Forces is the horrible reality," say the document drafters.

"External threats to our motherland are increasing. NATO is striving to reach Russian borders, nuclear tests have resumed in the world, and active development of new destructive armament types is underway. In this situation the Russian government's economic policy dooms the Armed Forces to self-destruction, and the defense industry to self-elimination," say Lebed and Skokov.

"The Armed Forces are small change in the hands of indivisible but powerful political intriguers and provocateurs. No-one is going to be responsible for the spilled blood of Russian officers in soldiers in Chechnya," say the Congress leaders.

'Prime Minister' Against New Appointments

LD0811160595 Moscow INTERFAX in English
1317 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (INTERFAX) — Yaragi Mamodayev, who calls himself the legitimate prime minister of Chechnya, disapproved of the election of Doku Zavgayev as head of this North Caucasus region.

"The second echelon of Russia's Chechen puppets like Zavgayev and (former Russian parliament speaker Ruslan) Khasbulatov cannot resolve the situation in Chechnya," Mamodayev said in a statement issued on behalf "of the government of popular trust of the Republic of Chechnya."

INTERFAX received the document on Wednesday.

In it, Mamodayev stressed that his government "is the only legitimate government in Chechnya" and warned that "if the Russian government does not stop its political games and intrigues aimed at deceiving the international community and plunging the republic's population into a disaster this coming winter, the situation will become ungovernable already in December or January with all the consequences for the Caucasus, Russia and the entire territory of the former Soviet Union."

He called for the immediate restoration of the previous Constitution adopted on March 12, 1992 and urgent international assistance. He believes this "will assuage the situation and save human lives."

Mamodayev, who headed the Chechen government in 1992, was removed by Dzhokhar Dudayev. He has been living outside Chechnya for the last few years.

State of Emergency Declared in Khabarovsk Kray

LD0911102995 Moscow Russian Public Television
First Channel Network in Russian
0900 GMT 9 Nov 95

[From the "Novosti" newscast]

[FBIS Translated Excerpt] A state of emergency was declared today in Komsomolsk-on-Amur, Amursk, and other regions of Khabarovsk Kray. A powerful cyclone that has been raging over Maritime Kray, the Tatar Straits coast, and Sakhalin for over 24 hours has caused major destruction and disasters. [passage omitted]

The Ministry for Emergencies could not give our correspondent any more information on the raging of the elements in the Far East, but believes that a seasonal change is under way there, which is usual for the area. In the meantime, inquiries about the real state of affairs have been sent to the regional branches of the Ministry for Emergencies in Maritime Kray and Sakhalin.

Missile Plant Jubilee Hailed in Moscow Oblast

MM0711165895 Moscow PRAVDA in Russian 4 Nov 95 p 2

[Article by Anatoliy Pokrovskiy and Marina Eratova: "'Almaz' Has Many Facets. Will Defense Industry Be Bought Up Lock, Stock, and Barrel?"]

[FBIS Translated Text] Draft documents for the restoration of the air defense systems of a number of Commonwealth countries were approved at the 2 November session of the Council of CIS Defense Ministers. That is understandable — owing to the breakup of the Soviet Union "holes" formed in Russia's air defense system. According to Pavel Grachev, "although there will no longer be the powerful air defense system that we had under the Union, it will be possible to restore it to a minimum required level." The whole question is: Who will do this and when? Since it is not only the former Union that has been broken up, but also many of Russia's defense enterprises.

It is no secret to anyone now that many defense industry plants and institutes have been turned into open joint-stock companies and foreign infiltration is becoming the norm. In all 34.16 percent of the shares in Moscow's "Avionika" science-and-industrial complex have been bought up via intermediaries, 16.37 percent of the shares in the Tushino machine building plant, 39.78 percent of shares in the "Ekor" control systems research institute, 24.96 percent of the shares in the "Pribor" Joint-Stock Company, the controlling block of shares in the "Aerosila" Joint-Stock Company, and other installations that are equally important for the country's security. Enterprises are being picked so that control of the shares will enable foreign firms to influence the development and production of science-intensive equipment in Russia.

Admittedly, the Russian Federation Goskomimushchestvo [State Committee for the Management of State Property] has compiled a list of enterprises, whose blocks of shares remain in federal ownership but are already being pledged as security for Russia's loans. This list includes the "Sukhoy Design Bureau" Joint-Stock Company and the aviation-production associations in Novosibirsk, Irkutsk, Komsomolsk-na-Amure, and Ulan-Ude, which build this firm's aircraft. But other more complex and covert processes are also under way.

Moscow Oblast's Reutov Machine-Building Science-and-Production Association recently displayed a great deal of items from its previously secret "warehouses" — things that have hitherto been hidden away — at its inspection area to mark its 50th anniversary. This provides food for thought.

At one point, if you wanted to ask how many cruise missiles had been developed by the science-and-production association you would have been thought at least not entirely normal or an unprofessional spy. The top secrecy surrounding this enterprise in Moscow Oblast's Reutov gave rise to tall tales about it.

And the enterprise itself created these tales. It even put its "Almaz" orbital stations into space under the pseudonym "Salyut." Needless to say, those who needed or rather did not need to know could ascertain from the external lines of the new near-earth emissaries that this was no "Salyut." And as far as our citizens were concerned "Salyut-3" and "Salyut-5" had no connection with the "Almaz." And God help you if you mentioned this in the press. But the "innards" of these stations were the main thing. It is easy to guess that they were purely military by design.

Evidently, in order to albeit somehow ease this awkwardness the late Academician Vladimir Nikolayevich Chelomey, then leader of the firm, "quietly" put one of us in his car and took us to Reutov. There he demonstrated an operational mockup of an "Almaz."

"Can we look inside?" the correspondent asked.

"You can," Vladimir Nikolayevich said quickly, "if you are not afraid of losing your right to foreign travel."

It is now known that high-resolution radar were mounted on "spy satellites" among others. And not only for military reconnaissance. One of these space stations was involved in extricating the Mikhail Somov from its imprisonment in the Arctic ice. It was the station that showed seamen the most suitable route. "Almaz" has also "reported" environmental disasters, recorded deadly coastal oil slicks, and in the interests of science looked into the vents of awakened volcanoes.

Today the machine-building science-and-production association is known as one of the leading firms in the development and production of missile-space systems. And it all began with a telephone call to V.N. Chelomey from the "main theorist of space exploration," as Academician Mstislav Keldysh was called then in late summer 1955.

"It has been decided to set up a major enterprise for the development of new military technology. Will you do it?"

A plant repairing agricultural equipment, locally known as the "brewery" [pyanyy zavod], rose up on the desolate outskirts of Reutov in the midst of a dump. This was where Special Design Bureau Postbox Number 80 began. And in the late fifties the P-5 cruise missiles developed there were put into the arsenal. Then came a series of other cruise missiles destined for submarine and surface ships and coastal complexes. Later new-generation submarine-launched cruise missiles appeared. Over 50 kinds of cruise missiles of various kinds were developed.

Four years after the memorable telephone call the new firm began work in two new areas — developing military and scientific space craft and space booster rockets, along with military ballistic missiles.

Within 20 years a new generation of strategic cruise missiles and the well-known "Proton" delivery vehicle, which is even now the main competitor on the international space market, emerged from the secret enterprise.

Then during the firm's boom years it was visited by N.S. Krushchev, general secretary and chairman of the USSR Council of Ministers. He toured the workshops, inspected everything, and said:

"I do not begrudge anything for this work. What else do you need?"

"I hesitated," V.N. Chelomey remembered, "and then I asked for permission to cut our staff by around 200 designers — not all of them could get accustomed to our complex work."

"I thought that you would ask for an increase in appropriations," the general secretary said in amazement, "and I was prepared for that. But discharging people.... No, I need to think about that."

This permission was not forthcoming from "on high."

"When were things better for your enterprise — during the Soviet era or now?" we asked Gerbert Aleksandrovich Yefremov, the present general director of the machine-building science-and-production association.

"Things are, of course, harder now, particularly since 1992. We have found ourselves in new conditions, playing a new game, by new rules. But at the same time I see no greater task than that of creating a national enterprise capable of taking a fitting place on the world high-technology market. Therefore things are harder but more interesting now. As I understand it, there can be no turning back the clock. We must find the means in our Fatherland to render us one of the pillars of the world economy."

"Do you not feel somewhat slighted, Gerbert Aleksandrovich, since your defense order has been greatly reduced, and are civilian programs a suitable specialism for your enterprise with its world- renowned name or, to be more precise, pseudonym?"

"We are the main firm in the missile-space complex with specialists working in many branches of engineering. Our conversion program is geared to high technologies. I mean solar power units, satellite aerials, agricultural machinery. They are well able to compete with their Western counterparts. We do not make saucepans, as you sometimes hear other defense firms are doing."

"But is not our defense might suffering as a result of enterprises like yours being sidelined by state investment today?"

"Our stock of strategic arms gives us a big 'stick' to wield. So far none of our missiles has been used for its real purpose, they were designed for far more serious conflicts than that. The pace of work in our sphere does not allow you to lag behind or come to a halt. There are problems. Even now we have no right to give up or suffer defeat, just as in the past we had no right not to carry out defense orders."

Today the machine-building science-and- production association is a state enterprise and right now it is not under threat of being bought or sold to foreign companies via dummy firms, as is already becoming a "good" Russian "democratic" tradition, but.... Will generous foreign investment not develop into covert privatization with controlling and noncontrolling blocks of shares? Right now the machine-building science-and-production association has international scientific, technical, and business contacts and is cooperating on the conversion program. Today there is no question of private capital controlling the activity of this leading defense enterprise — it would be extremely rash to hand anything over to the Western moneybags.

Despite all the problems of "democratic" reforms, people here are continuing their work on military technologies. Namely the state-of-the-art "Yakhont" sea-launched antiship system, the ground-based "Bastion" missile complex, which is being developed using this missile, and the "Alfa" missile system.

That is, no matter how some zealots may try to auction off our defense industry lock, stock, and barrel, this shield is evidently well hewn and cannot be torn to bits.

During the anniversary celebrations to mark the 50-year history of the enterprise one machine-building science-and-production association staffer said: "Some Western well-wishers want to teach us to bottle Coca Cola using our high technologies and for some reason only apply the word 'patriotism' to themselves, amazed at how our specialists are still working for such a pittance. We may bottle Coca Cola too, but only if we want to."

Yeltsin Issues Edict on Kaliningrad Anniversary

LD0811233095 Moscow ITAR-TASS World Service in Russian 1538 GMT 8 Nov 95

[FBIS Translated Text] Moscow, 8 Nov (ITAR-TASS) — Russian President Boris Yeltsin has issued an edict "On the 50th Anniversary of the Formation of Kaliningrad Region." The text of the edict, which was conveyed to ITAR-TASS by the press service of the Russian Federation president today, says that in connection with the 50th anniversary of the formation of Kaliningrad region, which is to be marked in 1996, Yeltsin has decreed that "the proposal of the Kaliningrad region authorities on holding festivities in April 1996 to mark the 50th anniversary of the formation of Kaliningrad region is to be supported."

The president has instructed the Russian Government, "in conjunction with the Kaliningrad region authorities, to draw up a plan of major events and approve the composition of an organizational committee to prepare and stage the festivities and render financial assistance to the Kaliningrad region authorities, stipulating the sources for financing the festivities in accordance with the above-mentioned plan."

Volga Cossacks Refuse To Unite With Communists

LD0911103795 Moscow ITAR-TASS in English 0959 GMT 9 Nov 95

[By Boris Belyakov]

[FBIS Transcribed Text] SAMARA, November 9 (ITAR-TASS) — Volga Cossacks will quit the Congress of Russian Communities in case the association unites with communists, chieftain of the Volga Cossack Army Boris Gusev said in a statement published by the local press on Thursday.

The ideology of the Cossacks is to serve the Russian state, but not political parties, Gusev stressed.

Last spring, Cossacks supported the Cogress as a nonparty association. If reports about forming an alliance between the Congress and communists for the upcoming parliamentary elections are confirmed, Cossacks will quit the bloc, the chieftain warned.

IZVESTIYA Views Sverdlovsk Governor Rossel

MM0911094595 Moscow IZVESTIYA in Russian 9 Nov 95 p 2

[Report by Aleksandr Pashkov: "New Team Comes To Power in Yekaterinburg"]

[FBIS Translated Text] The Sverdlovsk state television and radio company is in a frenzy. During the struggle for his post Governor Rossel often said that his first steps after he came to power would be to change the leadership of the state television company. And it looks as though he was not speaking in vain: The oblast Duma commission that has been created has spent several weeks now checking the financial activity of the television staff. As they used to say in the olden days, they are digging up compromising material. On one private television channel they have shown how much the chairman of the committee and his immediate entourage receive — that is where the budget money is going. In general their wages are good but not fantastic. Indeed, each can get as much as he is able to earn. The main thing is that there should be no criminal background here. Perhaps it is this background which the various checkers at the studio are seeking.

But it is clear even to a child that it is by no means a case of wages or other misdeeds. The governor does not like the leadership in one of the key positions in today's power structures. It is probably no accident that after winning at the elections Rossel replaced almost all the people in key posts — the chairman of the state property committee left, officials in charge of the economy, the commodity market, and the social sphere were replaced. They say that the chief of the oblast internal affairs administration may be replaced. At any rate there are persistent rumors of it. Valeriy Trushnikov, chairman of the oblast government, has remained but it looks as though that is the result of a pre-election compromise. In the period of the gubernatorial elections he displayed exceptional flexibility and skill — unknown to the public at large he was able to gather a substantial number of votes. Analysts believe that this was through an extraordinary step — General Lebed visited Yekaterinburg at the time and advised people to support his friend Trushnikov: Perhaps the votes given for the latter say more about Lebed's popularity in Sverdlovsk Oblast than about real support for the government chairman. However that may be, Rossel was obliged to enlist Trushnikov's vote to win the second stage of the elections. The future will show how firm this compromise will be. I think that when Rossel began the election struggle he had his own contender for the post of head of government and that contender will hardly come to terms with the role now allotted him....

Indeed, in the Urals something has happened which eventually must happen in the political-economic structure of the entire Russian state: The time has come of the "teams" formed along party or other lists. Clearly Rossel cannot fulfill — at any rate that is what he says — the promises which he made during the elections without relying on the people in his "team." Clearly he was not supported for his looks — it is a question of power and the money which that power controls. Naturally, the "team" game has its plus and minus points. Of course one can distribute all the good jobs to one's supporters as payment for their support. But having assumed full responsibility for forming the "team" Rossel undoubtedly also takes all responsibility for the further consequences: Time will pass and it will no longer be possible to say that he was betrayed by the "fifth" column in his ranks. That is undoubtedly a positive aspect of the "command" formation of local politics.

For instance, after a long and exhausting struggle with the center the Sverdlovsk Oblast governor achieved the removal of the television and radio company chairman who does not suit him and puts his own man in. If I as a taxpayer do not like the local state channel and its standard of coverage of local life then at the next elections I shall vote against the governor who foisted boring television on me. Or the other way round. This response could be the same for leaders of the economy, the police, education, and so forth. If yesterday I was in fact kept from exerting specific influence on the development of a particular sphere of life then the "team" principle will enable me to act out my sympathies and antipathies to some extent on this plane.

How this principle is implemented in life is another matter. When a presidential edict once removed Rossel from his post, for several months various documents circulated in journalists' circles seemingly proving the corruption of the former administration head. In a short time all the financial and commercial structures on which Rossel had relied were destroyed in one way or another. All the officials were obliged to pretend they were "outside politics." In the period of the election struggle many people believed that Rossel's return would result in a new "backlash," in the search for compromising material and other dirt so inherent in the most recent Russian history. Some of the new administration's steps attest that such fears are not groundless. The "apolitical" law enforcement organs are still ready to fulfill any order from above.

For some reason it seems to me that if the change of "teams" continues on the basis of the principle of "an eye for an eye" then the state of hostilities will be permanent throughout Russia's expanses. Perhaps the ordinary person does have some interest in learning from the present bosses something special and juicy about the former bosses. But I think that above all he is developing a lack of respect for the authorities themselves and is beginning to see the "team" principle as a means for politicians to resolve above all their own personal problems.

Economic Issues

Government, Central Bank Agree on Bank Loan Reserves

LD0811195195 Moscow INTERFAX in English 1848 GMT 8 Nov 95

[FBIS Transcribed Text] MOSCOW, Nov 8 (FIA-INTERFAX) — Russian Deputy Finance Minister Andrey Kazmin said the Russian government and Central Bank have agreed on a procedure for forming reserves on bank loans.

"The Central Bank, the Finance Ministry and the State Tax Service issued a 'trilateral' telegram in early November," Kazmin told the Financial Information Agency, a division of INTERFAX, Wednesday.

"The telegram makes more precise the procedure for forming reserves on the most risky bank loans, including bad loans and unsecured loans whose payment was delayed," Kazmin said.

Kazmin said that the government thus had consciously decreased taxable bank profits by about 1 trillion rubles.

"Analogous regulations are applied towards reserves on loans in hard currency extended by banks," Kazmin said.

"Budget revenues from the profit tax levied on banks fell twofold against last year: from 12.5 to 6.4 percent," Kazmin said. "Nevertheless, the government took the measure to ease the situation in the banking area," he said. Kazmin said the move was mainly aimed at "stabilizing the financial situation of small and medium-sized banks."

Kazmin said he could not agree with evaluations given by acting Director of the Association of Russian Banks (ARB) Mikhail Bazari. Bazari told the FIA that "the decisions of the three parties on this issue in fact increase the taxation of banks by 2 trillion rubles."

"The telegram has been drafted by an interdepartmental working group which also included the ARB leaders," Kazmin said. He said Bazari's statement proved that Bazari had not studied the telegram on which he commented.

Kazmin said he had received from the Association of Russian Banks "written proposals concerning this issue which fully coincide with the final version of the telegram."

Dubinin Seen as Likely Central Bank Chair Candidate

MK0911083995 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 5 Nov 95 p 3

[Unattributed report: "Russia Will Have a Central Bank Chairman After All"]

[FBIS Translated Text] It seems that there will soon be an end to journalists' speculations about who will head the country's main bank. According to information received by MOSKOVSKIY KOMSOMOLETS from the State Duma, only one name is left on the list of contenders for this post: Sergey Dubinin, former finance minister, who is now deputy chairman of the board of the "Imperial" commercial bank (and, according to some sources, a "Gazprom" staffer).

It is known that the former minister's candidacy is being actively supported by [Anatoliy] Chubays, [first] deputy premier of the Russian Federation Government. A proposal seems to have already been sent to President Yeltsin that precisely Dubinin be appointed chairman of the Russian Central Bank.

In the opinion of experts, nobody harbors doubts about Sergey Dubinin's competence: He is a true professional. Yet... a year ago, after an abrupt fall of the ruble rate at the currency exchange (commonly known as "Black Tuesday"), he was immediately dismissed by the president. If Yeltsin now approves Dubinin as chief banker, a reasonable question will arise: Was our president wrong in 1994, or is he committing a mistake now? Maybe it is the president himself who needs some correction?

Or, for instance, shall Viktor Gerashchenko — who was dismissed concurrently with Dubinin — be called again under the state banners by being appointed, say, finance minister?

Bankruptcy Agency Director Cited on Tax Collection

MM0811111495 Moscow ROSSIYSKIYE VESTI in Russian 5 Nov 95 p 3

[Article by Olga Chizhevskaya under the "Opinion" rubric: "Taxes Are a Lever for the Economy, Not a Noose"]

[FBIS Translated Text] Our taxpayers are not well known for their sense of discipline. That is a fact. The most surprising thing is that it is not the "floundering" enterprises which feature prominently among those failing to pay the treasury its due but, on the contrary, their efficient colleagues who are remiss.

Petr Mostovoy, general director of the Federal Administration for Insolvency (Bankruptcy), cited some impressive figures when addressing journalists recently. Half of the budget's 28-trillion [ruble] arrears by 1 September this year was down to 46 enterprises in the most prosperous sectors. They include well-known oil companies, railroads, four out of five vehicle plants, and the three largest and most stable metallurgical enterprises.

P. Mostovoy recalled the following simple truth: The budget shortfall is money stolen by the rich and prosperous from the pockets of the old, children, soldiers, policemen, and scientists.

Vladimir Gusev, director of the Russian Federation State Tax Service, amplified that assertion. If even one half of the arrears were repaid to the budget, he said, there would be no pension delay anywhere now and all the problems connected with the paramount needs of the Defense Ministry and the MVD [Ministry of Internal Affairs] could be resolved.

Meanwhile, V. Gusev believes, the mass media are often unfair to his department, which vigilantly looks after the treasury's interests. In Russia tax receipts form over 60 percent of all budget revenue. This year it is planned to collect R97 trillion, and R86 trillion have been collected in the space of eight months. Before the year ends, according to V. Gusev's estimates, total receipts will amount to approximately R140-R145 trillion. But at the same time the non-payment problem has worsened appreciably.

The tax service has now adopted concrete measures to clear the oil industry's debts. To that end the Lukoil holding company has issued securities the proceeds of which will be used to clear the arrears. A corresponding agreement has been concluded between Lukoil, the Finance Ministry, the tax service, and the Imperial Bank. As a result the holding company must pay the treasury R1 trillion in tax before 1 October [year not given].

The Noyabrskneftegaz association also promised to sell a proportion of its output for the specific purpose of paying the budget R605 million before mid-October [year not given] so as to clear its previous arrears.

The tax service, in conjunction with the tax police, is resorting to such measures as the confiscation of cash which is accumulating in vast amounts among debtor enterprises. In Perm Oblast alone these operations recovered R697 billion for the treasury.

The elimination of the so-called "70 for 30" scheme, introduced over a year ago, should play an important role in the collection of arrears. The point of this operation is to help those enterprises which have only just begun to recover from the crisis. They were given a concession — they were allowed to pay the budget only 70 percent of their tax dues and keep the other 30 percent in reserve to pay wages and meet other priority production needs. Although humane as far as those enterprises' workers are concerned, this scheme was extremely harsh on the rest of the country's population and especially harsh on the socially unprotected strata.

Once again this loophole was skillfully exploited by the prosperous production structures. With substantial sums of money in their accounts these structures underpaid the budget around one-third of their taxes in the same way as their poorer counterparts. But it was impossible to recover this money through the courts, impound property, or apply a bankruptcy order against them. The 30-percent arrears were regarded as a deferred or postponed payment....

Now a decision has been adopted on the phased abolition of this scheme. It needs to be abolished on the one hand so as to ensure enterprises' viability, not to deprive them of the possibility of producing output and paying their workers' wages, and on the other so as to clear their debt to the budget.

At a session of the Operational Commission for Improving the System of Payments and Accounts, First Vice Premier Anatoliy Chubays "put the question in no uncertain terms." The minutes of the commission state: "This is a question of strengthening the methods of collecting the budget shortfall using financial and administrative means of influence on enterprises and organizations which do not meet their commitments to the state, including the confiscation of property and the dismissal of leaders who are incapable of ensuring the normal financial activity of enterprises."

Three state structures will implement this decree: the Federal Administration for Bankruptcy, the State Tax Service, and the Taxation Police Department. The latter's task is to expose all tax evasion methods.

Some of those methods have already been clearly established. For example, the oil industry used the following loophole to evade tax payments. The industry itself does not trade in its output, it has entrusted that to various brokerage organizations. According to the tax organs' information these brokers have around $300 million in their accounts every year — money not received by the major oil associations. This is much more than the oil industry's debt to the budget. Of course, some of this money goes to its rightful owners. On their instructions the brokers buy equipment and fixed assets and pay wages into the oil workers' personal accounts. But the budget does not receive a penny. And the tax service cannot lay its hands on the brokers at the moment because they do not pay taxes on operations connected with the sale of oil.

Another method of concealing income is where enterprises build up hard currency reserves for contracts with foreign firms. Substantial amounts of income actually received can be salted away in foreign currency accounts at the same time. For example, the very well known Noyabrskneftegaz constantly underpaid the budget and at the same time successfully conducted operations using foreign currency accounts in Moscow. The tax service has not managed to investigate it yet.

Pondering the reasons for these arrears, P. Mostovoy highlighted two main factors. The first is the inept and incompetent economic management of enterprises, the second is the deliberate concealment of income from the treasury. Of course, an individual approach will be taken to each specific debtor enterprise. The head of the bankruptcy administration also cited four main methods of clearing these arrears.

The first is to replace the "tax holiday" with a deferment which will make it possible to extend the debt repayment period somewhat. The second method is to make broader use of agreements between tax payers and the taxation organs which make it possible to change the correlation between resources used to clear debts and those used to make current payments.

Method three is the application of the bankruptcy procedure. This envisages the introduction of an outside (arbitration) administration whose aim is to optimize cash flows and improve the financial position of debtors. While being highly useful for the recapitalization of an enterprise, this approach nevertheless has a major shortcoming. It involves a moratorium on meeting the demands of creditors and clearing the debt to the budget. Consequently P. Mostovoy called method four — anti-crisis management — the most intelligent one. Unfortunately, it has a narrow range of application. Under the law it may be applied only to enterprises belonging to the state or those where the state holds at least 25 percent of the shares.

Federal Investment Program Evokes Criticism

MM0711140695 Moscow ROSSIYSKAYA GAZETA (Departmental Supplement Section) in Russian 4 Nov 95 pp 9, 10

[Article by Vladimir Kucherenko under the rubric "Investment-96": "Economics Ministry Recommends Spartan Diet. Government Discussion of Next Year's

Federal Investment Program Shows That Considerable Funds Are Lacking for Revival of Economy"]

[FBIS Translated Text] During discussion of the 1996 federal investment program 26 October Yakov Urinson, Russian Federation deputy minister of economics, admitted that the plan for this year has been a flop. Primarily because the inflation rate has been higher than projected and because central investments were not fully funded. Total investment over the first nine months of 1995 was down by 17 percent (on 1994 — and by 25 percent on 1993).

The situation with regard to treasury investments, which are funded to the tune of 35 percent on average, is extremely strained.

Unfortunately, it has not been possible to step on the gas so far as private-state funding of production projects is concerned. In late 1994 the 1995 budget planned 1.45 trillion rubles [R] on the principle of "R1 from the treasury, R4 from nonstate sources."

An Economics Ministry commission (Ya. Urinson) picked the winning projects. The delighted winners borrowed from banks against this money and...ended up on the verge of ruin. Because they have still not received a ruble from the treasury.

The Economics Ministry attributes this setback to the fact that the Central Bank failed to open special accounts for this purpose. In the view of Central Bank of Russia head T. Paramonova, the reproaches are unjustified, since you are muddling credits and funds on a repayable basis. In this case we are talking about the latter, and this is not entirely a matter for the Central Bank — there is a need here for a different system for clearly channeling money and monitoring its use. For it is impossible to process this "competition" money via the commercial banks: They are fettered by economic normatives which the Economics Ministry projects do not fit in with.

In 1996 it is planned to earmark R3 trillion for distribution on a competitive basis. Which, after taking inflation into account, is barely more than this year.

What will the next budget year bring us? The Economics Ministry is forecasting total investment from all sources of R310 trillion. Some 47.1 percent of this sum is down to money from enterprises themselves — amortization payments. Commercial bank credits will make up only 4.1 percent, foreign investment, which everybody is so fond of talking about, will make up only 4.6 percent, and the federal budget will account for 18.7 percent.

The sum of R310 trillion is real starvation rations. According to Ya. Urinson, in order to attain a normal development trajectory the country needs investment of R700-750 trillion. But without investment there will be no production recovery or increase in tax revenue.

The fuel and energy sector will account for R74.3 trillion of these meager rations, metallurgy for R15.5 trillion, the chemical and timber complex for R14.9 trillion, and transport and communications for R36.8 trillion. Namely sectors that extract raw materials and look after its export. [sentence as published]

Those who are supposed to ensure the country's economic sovereignty and its leading position in the world economy will have to lump it. Only R5.7 trillion will be injected into machine building, and only R3 trillion into light industry (along with trade).

The draft program was harshly criticized. The Russian Federation Committee for Machine Building, the Russian Federation Committee for Metallurgy, the Ministry of Railways, and the Ministry of Atomic Energy are annoyed that the Economics Ministry, citing the shortage of funds, has "axed" their programs.

There were also purely conceptual criticisms. For instance, T. Paramonova believes the Economics Ministry's projection for amortization payments is overly optimistic. In our country these payments can merely keep plants and factories afloat and fuel simple reproduction, but they will not be able to ensure the badly needed structural changes. Nor should we expect the fourfold increase in bank loans to production envisaged in the program — the banks will not countenance this (and this opinion is shared by A. Nechayev, president of the Russian Financial Corporation). The speculative short-term state bonds market is attracting their money. Even after the 18 August crisis this money is idle. Foreign investment? This is channeled only into shares, and as yet there is no mechanism for transferring it into production (from a portfolio form to a direct form).

A. Nechayev, and Yu. Petrov, head of the State Investment Corporation, pointed to the lack of clear priorities in the program. As A. Nechayev, ex-head of the Economics Ministry, said, the same projects have been wandering from one program to another sometimes since 1991. Is it really impossible to "choose something and carry it through to completion," rather than spread funds about in a futile fashion?

Finally, a juridical infrastructure is needed in order to revive investment activity. However, many people rightly point out that at present we are lacking fundamental acts — on joint-stock companies, on the stock market, and on the division of output.

IMF 'Double Standards' in Foreign Loans Reported

MM0811115395 Moscow ROSSIYSKAYA GAZETA (Departmental Supplement Section) in Russian 4 Nov 95 pp 9, 10

[Article by Aleksandr Velichenkov: "Double Standards in Foreign Loans" — first paragraph is introduction]

[FBIS Translated Text] While it is increasingly becoming a debtor to the West, Russia remains virtually the main creditor of the CIS countries. But neither the IMF [International Monetary Fund] nor the Paris and London Clubs of creditors are inclined to accept the ex-USSR republics' debts to Russia as payment of its own debts.

The latest IMF session in Washington has again revealed a problem to which there is no solution yet. Its essence is extremely simple: Does the existing pattern of Russian cooperation with this organization meet our national interests?

The first and probably so far the last attempt to publicly ponder this conflict took place a year ago, in October 1994 in Moscow, at an IMF seminar and was made by Aleksandr Shokhin, at that time vice premier and economics minister.

In his report he noted the tough conditions the IMF was imposing on the provision of "standby" credit in the belief that the CIS countries need broader support, as he put it, "to pay for energy sources from Russia." He was extremely scathing about the initiatives of the Western countries, which, ahead of the IMF conference on Ukraine, were making repeated requests to Russia to "write off Ukraine's debts." He noted that even if the Ukrainian debts were merely restructured, the Russian budget would owe very significant sums to "Gazprom." In his opinion, the IMF together with Russia ought to "persuade Ukraine" of the need to implement schemes for the joint flotation of Ukrainian enterprises, including in the gas sector: "There are 2,500 joint ventures on Ukraine's territory, and practically no Russian-Ukrainian joint ventures." Finally, the thesis of "patterns of double standards" on the part of the IMF regarding various countries' debts was formulated, probably for the first time in world practice.

The speech in November [as published] was Shokhin's last as vice premier. And events began to develop in a somewhat different direction from that he had assumed.

Let us recall that Ukraine boldly embarked upon independence without a single dollar of foreign debt. This was in 1992. But by as early as May 1993 it owed Russia $2.5 billion (nonpayments for energy sources and the $1.5 billion negative balance of the National Bank of Ukraine correspondent account at the Central Bank of Russia). It was then that the first agreement was reached on the six-year restructuring of Ukrainian debts, with equal quarterly payments from the first quarter of 1994.

For some reason, incidentally, A. Shokhin did not mention this fact in his speech.

In 1994 Ukraine's foreign debt increased at a steady pace — $1 billion per quarter. The increase was mostly down to Russian and Turkmen energy sources, but some of it was also in the form of commercial (nongovernmental) loans on international markets.

By April 1995 Russia signed the memorandum for the IMF (published in the ROSSIYSKAYA GAZETA "Business in Russia" departmental supplement 31 March), which was subsequently approved at the spring session of the organization's Board of Governors and as a result of which it received, so to speak, a "standby" credit of $6.25 billion. But on the tough conditions the IMF had insisted on. Namely: the further restructuring of Ukraine's debts (the first vice premier hastily traveled to Kiev for this purpose); abandonment of the use of treasury bills as a means of payment, and as a result the prolongation of the crisis of nonpayments, which treasury bills had actively "eaten up" as they circulated; continuation of the tough budget policy as the main anti-inflationary measure.

What was the result? The $6.25 billion credit went on paying Russian commercial debts, in other words, debts to Western banks were turned into debts to the IMF. For the sake of this we "forgave" Ukraine debts of around $4 billion until 2003. Under the agreement of 2 March 1995 arrears of over $1 billion from 1993-1994 are restructured, a debt to "Gazprom" of $900 million is singled out in the form of the transfer of state securities to it, and a decision (not implemented) is adopted on creating the "Gaztranzit" Russian-Ukrainian joint venture and transferring to its incorporation capital underground gas storage facilities in West Ukraine and export gas pipelines.

By the middle of this year a favorable moment had arrived in Ukraine's relations with the IMF — a decent volume of debts to Western commercial banks, around $1.5 billion, had been accumulated, while Ukrainian debts to Russia had been restructured.

In early summer of 1995 the IMF made a practically official statement that the debts of the CIS countries, including Ukraine and Russia, do not meet international standards and cannot be recognized in world financial markets. After this the republic received the long-awaited "standby" from the IMF. And now it owes money to the IMF. Western commercial banks regained their money. And the entire burden of supporting the

Ukrainian balance of payments again fell on Russia and "Gazprom."

However, apparently this burden is too light and the IMF is demanding more. A letter to the Russian Government points to a violation of the memorandum by "Gazprom" — the duty on exported gas has not been increased, the sectoral stabilization fund has not been entered in the Russian budget, and so forth. But the IMF seemingly forgets "Gazprom's" contribution to the current funding of the Ukrainian budget deficit, and also the size of Ukraine's restructured debt to this department, which was by no means covered (as supposed) by the Russian Government.

Thus the IMF's "double standards" regarding Russia and Ukraine have become totally clear. Ukrainian debts to the Fund and Western banks are good and must be paid, but Russian debts are bad and must be restructured.

Nonspecific credits cannot be given to Ukraine, otherwise they will be used to cover the balance of payments deficit, including debts for Russian and Turkmen energy sources. But they can be given to Russia, since all the same the new debts of Ukraine and other CIS countries will be much bigger. In regularly restructuring Ukrainian debts every two years, Russia is doing a very bad turn to "Gazprom," its own economy, and the Ukrainian economy. Instead of seeking real ways of emerging from the payments crisis, for instance, by means of the decisions proposed at the aforementioned seminar, Ukraine has taken the path of direct foreign borrowing, which is very unlikely to yield a multiple investment return. If the proposed viewpoint had been adopted, the republic would have been able to concentrate considerable investment resources in export sectors. And this would be very tangible progress.

Russian-Ukrainian projects in the gas sector and oil refining are marking time. The intergovernmental agreement on including the Nikolayev bauxite plant in an international financial-industrial group with Russian aluminum combines is "frozen." Ukrainian-Russian potential for producing commodity quantities of titanium and zirconium is not being "cranked up." There are more than enough examples.

The fall session of the IMF Board of Governors was by no means an event for Russia and Ukraine. The experience of three years of cooperation and the role of diligent pupils of the IMF demonstrate quite eloquently that there is something wrong with the IMF's recommendations for our countries. For some reason these recommendations do not lead to development of our relations. And Russia is allotted the role of chief donor, who helps Ukraine "more than all the G-7 countries put together."

Edict 1067 Relaxes Sale of State Shareholdings

MM0911084895 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 4

[Russian Federation Presidential Edict No. 1067 "On the Deadlines for the Sale of Shares in Federal Ownership Used As Security in 1995," signed by Russian Federation President Boris Yeltsin and dated 2 November 1995]

[FBIS Translated Text] With a view to boosting the effectiveness of the mechanism for using shares in federal ownership as security I decree that:

1. It is hereby established that as of 1 September 1996 a commissioner has the right to sell shares in federal ownership which have been used as security in accordance with the procedure prescribed by Russian Federation Presidential Edict No. 889 of 31 August 1995 "On the Procedure for Using Shares in Federal Ownership As Security in 1995" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 36, p 3527).

2. The second proposal contained in Point 1 of the mandatory conditions of the Commission Contract ratified by Russian Federation Presidential Edict No. 889 (Appendix No. 3) of 31 August 1995 shall be deemed invalid.

3. This Edict comes into force on the day it is published.

[Signed] Russian Federation President Boris Yeltsin

[Dated] The Kremlin, Moscow, 2 November 1995
No. 1067

Decree 1035 Implements Financial-Banking Union

MM0911123895 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 4

[Russian Federation Government decree No. 1035 "On the Russian Financial-Banking Union," signed by Russian Federation Government Chairman V. Chernomyrdin and dated Moscow, 24 October 1995]

[FBIS Translated Text] In order to implement the Russian Federation President's edict No. 930 of 9 September 1995 "On Creating a Russian Financial-Banking Union" the Russian Federation Government decrees that:

1. The initiative of banks and other credit organizations, whose shares in (contributions to) the incorporation (initial) [skladochnyy] capital is in federal ownership, to create a Russian Financial-Banking Union (RFBS) in accordance with Section 1, Articles 121, 122, and 123 of the Russian Federation Civil Code, is supported.

2. It is considered advisable to enlist RFBS participants besides other credit organizations in the prescribed manner as the Russian Federation Government's authorized agents to fulfill the following functions:

—to attract foreign credits and other resources of an investment nature within the framework of intergovernmental agreements with foreign states;
—to attract investment by utilizing conversion of the foreign debt and the financial assets of Russia and the former USSR;
—to attract foreign credits and other resources of an investment nature to finance priority projects which are being implemented on a commercial basis;
—to collaborate with international financial organizations in order to implement investment projects and programs to develop various sectors of the economy;
—to implement state export support programs, to grant export credits and credits for the production of export products and the development of import-substitution production facilities in Russia;
—to guarantee the aforementioned credits and to issue guarantees needed to implement export contracts, to insure export credits against political and credit risks;
—to attract foreign credits and investment in order to develop small and medium businesses in Russia;
—to administer Russian enterprises' and organizations' mortgage accounts using foreign credits;
—to facilitate Russian enterprises' entry into foreign financial markets by means of placing (guaranteeing) shares, releasing loan bonds, and other forms and methods of attracting foreign financial resources;
—to work with state shareholdings in Russian enterprises in foreign financial markets;
—to fulfill other functions to implement federal programs on the Russian Federation Government's instructions.

3. In order to ensure the coordination of RFBS participants' activity to fulfill the functions of the Russian Federation Government's authorized agents and in order to monitor this activity, a group representing the state's interests in the RFBS is to be formed from representatives of the Russian Federation Presidential Staff (by agreement), Russian Federation Government, Russian Federation Ministry of Finance, Russian Federation Ministry of the Economy, Russian Federation State Committee for the Management of State Property, Russian Federal Property Fund, and the Central Bank of the Russian Federation (by agreement).

It is prescribed that changes to the list of functions of the Russian Federation Government's authorized agents which are being fulfilled by RFBS participants are to be made by the Russian Federation Government based on representations from the group representing the interests of the state and the RFBS. Specific functions during the conclusion of the appropriate agreements are also to be determined according to representations from the group representing the interests of the state and the RFBS.

4. Approval is given to the nomination, agreed with the Russian Federation Ministry of Finance, Russian Federation Ministry of the Economy, Russian Federation State Committee for the Management of State Property, and Russian Federal Property Fund, of A.N. Shokhin, chairman of the Russian Export-Import Bank Council, as leader of the group representing the interests of the state and the RFBS. The leader of the group representing the interests of the state and the RFBS is instructed to submit, within a month and in the prescribed manner, proposals to the Russian Federation Government on the group's personnel and on questions associated with RFBS activity requiring a decision by the Russian Federation Government.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

International Affairs

Expert Compares USSR, SFRY Disintegration

AU0811143095 Kiev HOLOS UKRAYINY in Ukrainian 3 Nov 95 p 5

[Interview with Serhiy Pyrozhkov, director of Ukraine's National Academy of Sciences Institute for Strategic Studies, by Anatoliy Martsynovskyy; place and date not given: "Russians — Serbs: Parallels Against the Backdrop of the Great Collapse" — first paragraph published in a box]

[FBIS Translated Text] Two states — the USSR and the SFRY [Socialist Federal Republic of Yugoslavia] ceased to exist almost simultaneously. Two large diasporas — Russians and Serbs — found themselves outside their historical homelands. Where is the similarity and where the difference in their fates?

[Martsynovskyy] Do you think that it is generally logical to compare the Russians and Serbs of post-communist times and make, on this basis, some conclusions or forecasts?

[Pyrozhkov] In principle, parallels can be drawn — it is an investigation method.

However, I would like to point out right away that the disintegration of the USSR and of the SFRY are phenomena that are not identical in terms of scope and character of the processes that proceeded in them. The disintegration of the [Soviet] Union is the disintegration of an imperial system and, one can say, the beginning of that disintegration dates back to 1989 — the "velvet revolutions" in countries of the socialist camp. In the case of Yugoslavia — it is disintegration of a multinational regional state. The processes that are taking place there are confined to its territory.

The specific characteristics of Yugoslav conflicts lie in their ethnoreligious nature and in the confrontation between Muslims (Bosnians) and Catholics (Croats), on the one hand, and Orthodox believers (Serbs), on the other. Experience shows that such conflicts are generally the most difficult to settle and, if at all, they may only be stopped through the use of force. Take, for example, the prosperous Britain where Catholics and Protestants have not been able to get along for a long time.

On the territory of the former USSR, there also exist elements of ethnoreligious conflicts: in Central Asia and in North Caucasus. As regards Russians or, as this is sometimes put, Russia-speaking people (I believe, incidentally, that this is not the same thing at all), they mainly resided in republics that were not ethnically hostile to them. They also lived in Muslim regions, but in the times of state atheism, religious confrontation was insignificant. To take specifically Ukraine, there are no serious ethnic differences between the Ukrainians and Russians living here. There is approximately the same level of culture and traditions, the differences being purely linguistic.

Proceeding from this, I would not say that the Russian population on the territory of the former USSR is threatened with any ethnic cleansing or discrimination for the simple reason of its being Russian. Distinct anti-Russian sentiments were only felt in Baltic countries. However, there this has historical grounds: The majority of Russians arrived in those countries after the signing of the notorious Ribbentrop-Molotov Pact. In the rest of the republics, especially those where the orthodox religion prevails, there are no major conflicts, and here is the main difference from Yugoslavia.

[Martsynovskyy] However, in those years — 1991-92 — when conflicts flared up in Yugoslavia, even in Ukraine there sounded calls that were far from peaceful: "Down with Muscovites!" on the one hand, and "Down with nationalists!" on the other. How serious was, in your opinion, at that time the threat if not of ethnic cleansing affecting Russians, then, on the contrary, of the Russian population's striving to join Russia?

[Pyrozhkov] I believe that the major role here was played by specific leaderships. In Ukraine, for example, the relevant policy was sufficiently well balanced, and not a single nationality was segregated. Anyone residing on the territory of Ukraine could become a citizen. The Ukrainian law on citizenship ruled out all possible conflicts. If you take, for example, Baltic countries, the national aspect there prevailed in the legislation on citizenship. This brought about the process of alienation of the Russian population and, consequently, tension in society.

In other words, in Ukraine, no serious confrontation occurred. However, if the ethnic card is played, anything may happen. So far, there is no reason to believe that there exists some conflict situation between Ukrainians and Russians who live here. All moods about joining Russia are mainly based on the fact that a part of the Ukrainian population believes that life is better in Russia. Even though, as far as I am concerned, the situation there, too, is far from prosperous.

Returning to the Yugoslav variant, it should be pointed out that the Serb-Croat conflict did not start four years ago when the SFRY disintegrated. Back in the times of World War II, Croatian fascists fought on the side of fascist Germany, whereas Serbs were on the side of the anti-Hitler alliance. That is why their confrontation has deep roots and it was not eradicated in the times of Tito's rule.

National Affairs

Justice Minister Seeks European Legal Standards

*LD0811195495 Moscow INTERFAX in English
1848 GMT 8 Nov 95*

[FBIS Transcribed Text] KIEV, Nov 8 (Interfax - Ukraine) — Ukraine's "most difficult task" is to bring national legislation in line with European conventions, Ukraine's Justice Minister Serhiy Holovatty told journalists before leaving for Strasbourg Wednesday.

"We have already accomplished the easiest task, admission to the Council of Europe," he said in answer to an Interfax- Ukraine question.

According to Holovatty, it is the Justice Ministry that should coordinate the legislative process in Ukraine.

Holovatty said Ukraine's annual contribution of $2 million is a very small amount, compared to future benefits from cooperation with European institutions.

Holovatty described Ukraine's membership in the Council of Europe as "a kind of political filter, a test for democracy and maturity."

The Kiev Communists and Socialists' appeal to the Council of Europe to suspend Ukraine's admission due to the ban on the November 7 rally "cannot have legal consequences," Holovatty remarked.

Crimean Premier Views Economy, Kiev Relations

*WS0711142695 Kiev URYADOVYY KURYER
in Ukrainian 31 Oct 95 p 4*

[Interview with Crimean Prime Minister Anatoliy Franchuk, by Zoya Krasnodemska; place and date not given: "Crimea Is and Will Remain Ukrainian" — first six paragraphs are URYADOVYY KURYER introduction]

[FBIS Translated Text] **Anatoliy Romanovych Franchuk's biography consists of several decades of changes in both his personal and career life. For leaders, however, work — or more precisely service to the cause, state, and people — is the most intimate and personal thing, and Franchuk determined this as early as his youth.**

Anatoliy Romanovych was born in the village of Volodymyrivka, Illinetskyy rayon, Vinnytsya Oblast. He graduated from a polytechnic institute; his profession is radio engineering and design. He worked at the Russian, Kazakh, and Belarusian defense industry enterprises. Moreover, he went through all the grades of his career scale: He was a metal worker, traffic controller, foreman, section chief, engineering bureau chief, factory shop deputy chief, deputy chief designer, chief designer, chief engineer, company director general, deputy minister, and first deputy minister of the former USSR's military-industrial complex.

Since 1990 Anatoliy Franchuk worked as deputy chairman of the Crimean Oblast Executive Committee, and later as Crimean minister of industry and power engineering and deputy chairman of the Crimean Cabinet of Ministers.

Since 1994 he has been prime minister of the Crimean Autonomous Republic.

He is an academician of the Ukrainian Academy of Economic Science and the International Academy of Information Science.

He is married, has two sons, a daughter, and three grandchildren.

[Krasnodemska] Anatoliy Romanovych, immediately after Ukraine had won independence, the resort-like Crimea suddenly became a troubled and sore place, sending signals to Kiev and other regions of our state. More than once did the political barometer forecast storms, the consequences of which would have been very hard to predict. I am speaking about this in the past tense, because apparently the initial tension has recently declined, and the situation is gradually stabilizing. The majority of competent politicians and observers, who constantly keep an eye on all aspects of the autonomous republic's life, directly connect this improvement with the new Crimean leadership and more efficient government, which was able to find a common language with the Supreme Soviet and acts jointly with official Kiev, and not against it.

Is this true, and what specifically is the government of the autonomous republic doing to make the peninsula's economy work in full swing and enable it to provide everything essential not only to the local residents but also tourists?

[Franchuk] One can indeed say that the current situation in Crimea is normal, or at least that it makes it possible for the government to concentrate its efforts on resolving urgent economic problems, which mounted during the period of political and economic instability. Before speaking about our specific steps aimed at carrying out the most important government programs, I would like to note that the so-called "Crimean situation" did not develop suddenly, but was caused by quite objective reasons.

To become convinced of this, one may simply recall that over the past few decades the peninsula developed differently from the rest of the former Soviet Union.

This was no accident, because Crimea is an excellent recreation area. Thus, every republic wanted to erect its own departmental health resorts and set up various scientific research institutes. Plus, peoples which were once forcefully deported from Crimea began returning here. We must provide them with housing and jobs, which, as you understand, is not easy, particularly given that our former ties were severed, as a result of which Ukraine ended up facing this extremely difficult problem alone.

Incidentally, it was namely this severance of ties and the fact that Ukraine became independent that made employees of numerous departmental institutions and enterprises — who had been carrying out other republics' orders — worry about their future. Moreover, the Black Sea Fleet became a stumbling bloc between Ukraine and Russia. All of this brought about the well- known difficult situation in Crimea. The situation also deteriorated because indecent politicians used these difficulties to incite people. Some of them urged people to stand under the banners "Crimea With Russia!," others — under the banners "Crimea With Ukraine!" Still others proposed to establish a completely independent Crimean state.

I believe, however, that Crimea was, is, and will remain Ukrainian.

I must add that the former Crimean parliament, whose unconstructive actions constantly made life on the peninsula tenser, also poured much oil on the flames.

The Crimean parliament has noticeably improved its work. The new government was formed a year ago. I cannot say, however, that a team of one-minded people was gathered. As it is, representatives of various factions joined the Republic's highest executive body. It is thus natural that their opinions and approaches toward the same problems are different. In my opinion, government should be formed according to the principle of professionalism. Professionals who thoroughly know their matters should work in it. As for the main thing, however, we are united.

Currently, the main thing for the government is to do everything possible to make the budget work. It is so far very meager. The reasons behind this are known: Industrial companies are not operating in full swing, the agro-industrial complex is not efficiently using its capacities, and trade and other vital branches have not yet begun operating well either. The current situation of our health resorts is also worrying. Some of them were half-vacant during the season, and Crimea is primarily a wonderful recreation and health care area. It is this factor, this unique source that has to feed the peninsula's budget as much as possible.

[Krasnodemska] However, there have recently been many reports that recreation in Crimea is too expensive, and that prices do not correspond to the service offered by the peninsula's health resorts. Travel agencies by all means encourage people to vacation at resorts in Spain, the United Arab Emirates [UAE], or Bulgaria....

[Franchuk] The service on Majorca or Hawaii is certainly better. But I have never been there, so I cannot compare. Still, I know and understand that we have to develop and improve the area of services. First of all, we must learn to smile as beautifully as they do, and advertise our resorts as efficiently as they do, because the situation on our peninsula is just the opposite — everything is being done to make people not travel to the Crimean Black Sea coast. I had in mind the warnings about the unstable situation, cholera, or water shortages.

Last year a cholera outbreak and difficulties with water supplies did us much harm. Many potential holiday-makers were afraid to take a vacation in Crimean health resorts. The government, local officials, and staffs of our spas and resorts did a lot to prepare well for the current vacation season: We contained cholera and ensured uninterrupted deliveries of water to the largest resort cities — Alushta and Yalta. Our country's government helped us a lot in achieving this. We have good roads, reliable transport, and a well-developed system of providing holiday-makers with food. Nevertheless, this year the peninsula was visited by fewer holiday-makers than we expected, but not because all of them went to Majorca or Bulgaria. This is not the point. I visited may health resorts and talked with their managers and guests. It proved that so-called elite spas and health resorts, which are particularly expensive — up to $200 per day — were, as the saying goes, full to the brim. Still, there were many vacancies in less luxurious, and thus less expensive resorts. What does this testify to? It primarily testifies to our current unpleasant reality, as well as to the fact that a majority of people in our state and other CIS countries are poor and cannot afford a vacation even for a relatively moderate price. Meanwhile, rich businessmen traveled to Crimea, Spain, and the UAE.

Taking this into account, our government did everything possible to make recreation affordable to lower-income citizens as well. Therefore, as I have already said, there were not only prices amounting to $200 per day, but there were also prices as low as $2 per day.

It must be noted that our government has developed a program for the further development of Crimea's recreation area. Thus, we and the Ukrainian Cabinet of Ministers have made a number of decisions, and developed projects to finally resolve the issue of water supplies in the Black Sea region. We are also going to construct new railroad lines. We will also build the Dzhankoy-Nyzhnyohorsk- Sovyetsk-Feodosiya-Kirovske-Lenino-Kerch gas pipeline. Plus, drilling is being conducted on the Black Sea and Azov Sea coasts to discover gas and oil fields.

[Krasnodemska] Anatoliy Romanovych, until recently every republic provided everything essential for its health resorts. This burden now rests on the shoulders of both the Crimean and Ukrainian governments. Not all spas and resorts in our country are subordinated to the Autonomous Republic, however. There are also so-called "nobody's" resorts? What is your attitude toward them?

[Franchuk] First of all, it will soon be precisely determined to whom each health resort belongs, because every farm or enterprise should have their legal status, address, and bank account, so that we know who lives, rests, and works in them, and what is the most important, so that we profit from them in the form of taxes. The following paradox occurs: Almost 80 percent of organizations operate here and use all kinds of goods such as water, roads, and electricity, but no taxes and profits coming from their operations end up in the Crimean wallet.

[Krasnodemska] Crimea is not only a resort paradise, however. Industrial production, agriculture, and particularly production of wine are developed quite well here....

[Franchuk] Our Republic indeed has a number of unique industries, such as the shipbuilding, instrument-making, machine-building, electronic machine-building, chemical, and light industries, as well as high-quality test ranges which have no match in any country of the former Soviet Union.

We developed corresponding science and personnel capacities for these enterprises and technologies, and even now they are able to ensure their full-fledged operation.

Unfortunately, not all of them are currently operating and yielding appropriate returns. However, the government is taking measures for reviving their operations.

Additionally, with the help of the Ukrainian president, we have begun reconstructing the peninsula's military-industrial complex. We thus expect that after a certain period of time these enterprises will yield large profits by producing export goods and earning hard currency.

Our agro-industrial complex performed well this year. In particular, we collected good grain crops — nearly twice as much as last year. We also had a plenty of vegetables and fruit, and this confirms that Crimea can feed itself and another 8 million people every year.

Nevertheless, as everywhere, there are many unresolved problems in the agro-industrial complex. First of all, we must more quickly introduce new technologies in the production sector and give priority to high-quality and environmentally clean agricultural products and parity of prices, primarily in cattle breeding. Much has to be done to elevate our wine industry to an appropriate level, because this branch is currently experiencing hard times. You understand, however, that everything boils down to our budget deficit. If there is money, agro-industrial programs will be actively implemented.

[Krasnodemska] Anatoliy Romanovych, the Crimean government is currently resolving another uneasy and urgent problem — the settlement, employment, and social adaptation of deported peoples, who are returning to their fatherland. They are primarily Crimean Tatars. What has been done to make these undeservedly abused people feel at home here?

[Franchuk] As of today, 360,000 Crimean Tatars have returned to the peninsula. This is a great deal for our relatively small republic, in which the density of population is 92.5 people per 1 square kilometer. No region in our state has admitted so many resettlers during such a short period of time. Moreover, they are not coming as guests, but to their own home. They should thus have houses and jobs, and adapt themselves to cities, villages, and company staffs. After all, a homeless and unemployed individual always has a negative attitude toward both the authorities and society as a whole.

The government, the Supreme Soviet, and local authorities are thus conducting policy of engaging representatives of all ethnic minorities in the economic and political life of the peninsula. Therefore, Crimean Tatars, Armenians, and Greeks work in the government and managerial posts at companies, educational institutions, and hospitals.

You understand, however, that the settlement and employment of deported people and their families has not yet been resolved. We still have to do a lot for those people, and we are doing what we can, given the substantial assistance — both moral and material — from the Ukrainian government.

[Krasnodemska] In general, how is the Kiev-Simferopol vertical line of power formed? One could once feel a certain tension between the governments of our state and the autonomous republic. Not all decisions by the Ukrainian Cabinet of Ministers were unequivocally received by the Crimean Cabinet of Ministers, and vice versa....

[Franchuk] Personally, it is a particular pleasure for me to say that an efficient vertical line of power has currently been established between the governments of the state and our republic, and that mutual understanding prevails. With all responsibility we are aware that only joint and constructive actions and exchange of exhaustive information between the governments of the state and the republic about their work and intentions to make certain important decisions will help us become correctly orientated in this profound crisis and outline promising ways to overcome it.

It is encouraging that the Ukrainian president and Cabinet of Ministers support our economic policy. After all, it is not easy to enter European and world markets. We must thus restore the lost ties with former Soviet republics. They are waiting for our goods, and if we sell, we will also produce.

Finally, I would like to say that we have been advancing too slowly. We have lost a great deal of precious time, and now we should simply do as much as possible to carry out reforms, actively conduct privatization, and, finally, improve people's lives.

[Krasnodemska] I wish you success in this uneasy matter.

[Franchuk] Thank you!

Economic Issues

Agricultural Minister on Reform

WS0711101095 Kiev SILSKE ZHYTTYA in Ukrainian 26 Oct 95 pp 8, 9

[Interview with Agricultural Minister Pavlo Ivanovych Haydutskyy, by unidentified correspondent; place and date not given: "I Am Responsible for My Words...." — first four paragraphs are SILSKE ZHYTTYA introduction]

[FBIS Translated Text] **Pavlo Haydutskyy was born in the village of Beremyany in Buchatskyy rayon, Ternopil Oblast, to a family of agricultural workers. He is Ukrainian. He finished the Ternopil financial-economic college in 1972. He is a doctor of economic science, professor, and academician of the Ukrainian Academy of Agricultural Sciences. He is married, his wife is a white-collar employee. His two sons are schoolchildren.**

He began his career on a collective farm. He is an expert in all agricultural trades. From 1972 to 1975, he worked as senior and chief economist in the Terebovlyanskyy Rayon Agricultural Department in Ternopil Oblast. He later worked as chief economist, section chief, and auditing department deputy chief in the Agricultural Ministry for over nine years. From 1985 to 1991, he headed a chair and was training and research vice chancellor in the Republic High Management School in the Ukrainian State Agro-Industrial Committee; in 1991-92, he was economics sector chief and economics department academician-secretary in the Ukrainian Agricultural Academy.

Between 1992 and 1993, he headed the financial policy section in the Ukrainian Presidential Administration; from December 1993 he was economic management office deputy chief and economic reform section chief in the Ukrainian Cabinet of Ministers. In September 1994, he was nominated as deputy head of the Main Department for Issues of Economic Reform in the Ukrainian Cabinet of Ministers. Before occupying the post of agricultural minister, he headed the Ukrainian State Committee for Land Resources.

P. I. Haydutskyy is the author of numerous scientific publications addressing agrarian and land reform issues; he actively participated in drafting laws and other normative acts on these issues; he is well known to leaders and experts of the agricultural sector as a competent expert in reforming agricultural and land relations in rural areas.

[Correspondent] Until recently, the department which you now head was a body which dictated to agricultural workers when and what should be sown, when the harvest should be reaped, and at what price it should be sold to the state. The buildup of independent democratic Ukraine will also require new approaches toward managing its agro-industrial complex [APK].

[Haydutskyy] Yes, the agricultural sector has found itself in a difficult situation and there is no magic wand to at least slightly improve the situation.

The only way out is to place the APK on the rails of market economy by means of comprehensive reform of ownership and land relations, because these processes are both technologically and economically mutually interrelated.

Which factors bolster the accession of agricultural enterprises to a market economy? These factors are sharing of property of collective and state farms and their further transformation into nonstate structures.

As of today, 9,100 collective farms — 97 percent of their total number — have been subject to reform. If one also considers collective farms that are currently undergoing reform, the number of collective farms covered by reform will account for 99 percent of their total number. Ninety percent of collective farms are covered by the property sharing process. One-third of state farms have been privatized or are undergoing privatization.

Methods for sharing property have been practically specified. In general, an issue related to land sharing in collective and state farms — after their privatization — is also being resolved.

The following things, however, must be kept in mind: Both land and property sharing do not resolve the problem of implementing reform. They only create preconditions for the further radicalization of socioeconomic relations in rural areas. That is, land and property sharing start the main path toward the market, create critical preconditions for restructuring collective farms, collective agricultural enterprises, and so on by means of setting up corporate, leased [pryvatno-orendnyy], and other types of nonstate agricultural enterprises to replace the old forms. Their essence is private ownership of property and land shares as well as cooperative (corporate) [as published] form of economic management.

Given the combination of progressive forms of economic management, the revival of the owner of property and land must become precisely the magic wand which will make it possible to stabilize the development of the entire APK. Today we can state which farms have a higher level of production. This, however, is the just beginning. The ministry will continue to work on this issue in the future. A plan for 1995-2005 activities is being drafted.

[Correspondent] What is the basis for economic and structural reconstruction?

[Haydutskyy] Based on the reform of ownership relations and having resolved the problem related to the alienation of APK workers from land and other means of production, new economic structures are being set up. Instead of both state enterprises in the processing industry sector and enterprises offering services to the agricultural sector, more than 750 new economic structures -- two- thirds of them are joint stock associations — are currently operating, and the same number of enterprises are in the set-up stage.

I would like to stress that world experience shows that the joint-stock company form is the most popular. Precisely the logic of the development of relations of production during the transitional period from a state monopoly system to a stable market system provides reason to believe that the primary form of the organizational materialization [vtilennya] of both efforts of workers and their personified [personifikovanyy] property in a system of production is not the establishment of individual enterprises (this move in itself does not rule out such an opportunity), but the unification of their efforts in integrated, quite large-scale enterprises which ensure a higher level of economic effectiveness and provide conditions for their competitiveness.

Joint stock companies are also a factor, because they ensure the resolving of the problem of individualization of property and at the same time preserve the integrity of economic entities. This factor is of extraordinary importance for the economy of our state — where sizable production structures were established over decades — because it ensures an opportunity to use the created material-technical basis and accumulated management expertise to the maximum.

Is is also important to emphasize another advantage of this type of economic management triggered by the specifics of the sector. The agricultural sector, as is known, closely cooperates with other sectors, particularly with the processing industry and enterprises offering services to agricultural sector. So, joint stock enterprises themselves ensure the integration of their APK partners into principally new structures, which coordinate their interests based on joint property relations. Precisely this is the aim of the Law "On Peculiarities of Privatization of APK Property" that was recently adopted by the Ukrainian Supreme Council.

Mention must also be made that within the framework of ministries, particularly the Ministry of Meat and Dairy Products, such forms of integration as associations of processing enterprises, producers of raw materials, and trading enterprises have also become popular. During the implementation of market relations, the development of market infrastructure is intensified. APK stock exchanges, brokerage offices, shopping centers, and company shops have already begun to operate.

[Correspondent] Pavlo Ivanovych, this summer the APK, in essence, operated without a minister for agriculture and foodstuffs; there was no one who had to look for and encourage credits for state grain contracts, as well as to resolve other urgent and problematic issues. Perhaps you will also find these issues somewhat difficult. Which sector problems will you resolve first?

I mean that in Ukraine you are known as a reasonable promarket economist, the author of a range of innovative projects related to the APK reform, particularly the sharing [of land and property] of collective agricultural enterprises, implementation of land reform, and APK structural transformations. Back in the time of the totalitarian system, when for harboring "bourgeois theories" people were excluded from the party and even fired, you touched upon these problems in various publications. All this took place long ago. Has your approach toward these problems been subject to change, inasmuch, as I understand, since your very first workday in the ministerial office you began to redraft the comprehensive concept of the Ukrainian APK? Thanks to what factors can the APK develop successfully?

[Haydutskyy] My primary objective is to draft the APK development program until the year 2005.

[Correspondent] What are, in your opinion, the top priorities of APK development?

[Haydutskyy] In my opinion, they are as follows:

— to implement socioeconomic transformations in rural areas, first of all in the sphere of ownership of both land and the means of production; to set up a mixed economy with various forms of ownership;
— to produce grain, sugar beets, oil-seed crops, meat, milk, and other foodstuffs to provide the state with critical foodstuffs which ensure the national security in terms of foodstuffs as well as exports.
— to develop industries dealing with production of packaging material and containers, packaging goods in containers and storing them, as well as processing local agricultural products;
— to establish a powerful material-technical basis; to manufacture agricultural equipment and machines that are necessary to ensure the full cycle of agricultural production and produce enough mineral fertilizers, pesticides, fuel and lubricants, and concentrates;
— to develop selection, seed industry, cattle breeding; to carry out measures to ensure land reclamation, improvement, and protection; to protect plants and animals;
— to decrease consumption of energy resources by APK enterprises by means of implementing non-waste production processes that are energy and resource intensive; to renew the production potential of sectors;
— to ensure the social development of rural areas, particularly regions experiencing a demographic crisis; to develop a network of gas and oil pipelines, communications, roads, educational institutions, health protection establishments, and provide housing construction in rural settlements with a high unemployment rate.

The top priorities in the processing industry are as follows: to ensure comprehensive processing of raw materials; to increase production of semi-finished products, foodstuffs for children; to reduce losses from processing, transportation, and preservation of products. In addition, top priorities include moving enterprises dealing with processing perishable fruit, vegetables, and raw milk to the sites of their production and — to this end — establishing small, modern enterprises.

As regards the reform of APK production, I am not satisfied with its rate. According to current data, over 400 state farms and other state agricultural enterprises (one-fifth of the total), 18 percent of enterprises dealing with processing of agricultural products and rendering services to the agricultural sector have been privatized. Collective agricultural enterprises and joint-stock partnerships are being set up in the place of state farms that have been subject to reform; in addition, open joint-stock partnerships have replaced enterprises dealing with processing and rendering services to the agricultural sector. These open joint-stock partnerships should not only increase the current production output, but also make products cheaper.

Ninety six percent of collective farms have been subject to reform by means of land and property sharing in the collective sector. Collective agricultural enterprises, partnerships of farmers and cooperators, and joint-stock companies are being established in their place.

As regards my views and approaches, I have always supported a genuine owner of property and land.

[Correspondent] Could you describe the land reform in more detail?

[Haydutskyy] Changes in land relations have always been the essence of all agricultural reforms in the world. This fully corresponds to Ukraine. It is obvious that reform is stalled primarily by flaws in relevant laws. The matter has become complicated, because changes in relations of ownership that have been and are being implemented in the majority of agricultural collective enterprises still do not produce expected results; this is also caused by the fact that land is not subject to privatization. Even in that small number of enterprises which have received state documents certifying their collective ownership of land and can specify an average portion of land (a share of land) set aside for each worker, the feeling of real ownership of land is either not manifested at all or emerging too slowly. This is because, according to current land legislation, a farmer can obtain his share of land only after he withdraws his membership from a collective farm. But, as is known, there are very few such farmers. Hence, although they have the formal right to land, the majority of farmers, in fact, are not genuine owners of land.

It has been envisaged to resolve the situation by means of a transition to a type of land relations, according to which a farmer — as owner of a share of land — could sell, mortgage, or lease his share. However, due to the fact that the sale and mortgaging of land have still not been resolved, the development of land-leasing relations should be regarded as something for the future. An owner of a share of land leases it to an economic entity, that is, a collective agricultural enterprise, a farmer, and so on.

The essence of principally new approaches toward the deepening of land reform lies in leasing shares of land owned by members of collective agricultural enterprises to their or any other enterprise.

As in known, the current legislation envisages land leasing. Therefore, in this case, the matter is its unusual form: A traditional leaser (an enterprise) and a lessee (a farmer, or a group of farmers) change their roles: Owners of shares of land acquire the status of a leaser and an enterprise becomes a collective (group) lessee. But this should not become an obstacle to the transition to new principles in land relations. Land relations already exist in the same form in other postsocialist countries. In particular, members of agricultural enterprises in the former East Germany, following the unification with West Germany, leased 71.6 percent of their land to partnerships set up in place of their agricultural enterprises. As experience shows, they are satisfied with this type of leasing.

That is, the transition to a market economy cannot be successfully realized without upgrading land relations.

The land reform that is being currently implemented in Ukraine envisages the profound reconstruction of land relations and has the aim of denationalizing land, changing its owners and the form of its management. Along with land leasing relations, collective and personal ownership of land have been recognized as equal.

Owners of plots of land can establish joint ventures, associations, joint-stock companies, holding companies, and other cooperatives. Conditions for the equal development of all forms of both ownership and economic management are being set up.

Thanks to the adoption of a range of legislative acts, a legal basis for the development of private farms has been created. The number of private farms increased from 21,000 in 1991 to 32,000 in 1994. Some 741,000 hectares of arable land (1.8 percent of the total arable land in the country) have been transferred to private ownership and placed at the disposal of private farmers, or on average, 23 hectares per farm.

At the same time, the further development of farming is being stopped by limited opportunities related to obtaining financial and material resources, as well as by relatively small shares of land.

[Correspondent] On the eve of the harvest, the Ukrainian president instructed the Finance Ministry and the Ukrainian National Bank to resolve issues in issuing a budgetary loan to pay in advance for the value of 50 percent of agricultural products specified in contracts. In early September, the following data were made public: While the signed contracts envisaged the procurement of 10 million tonnes of grain, 4.4230 million tonnes of grain have been delivered to the state (44 percent) and the state has failed to pay for 1.0360 million tonnes. Some time later, the Commission for Agrarian and Land Reform, which reports to the Ukrainian president, met: It also instructed the above-mentioned Finance Ministry to "find an opportunity to issue money from the budget to purchase 1 million tonnes of grain in September." In addition, this commission requested both the National Bank and commercial banks to find credit resources to the tune of 50 trillion karbovantsi [K] (over $310 million) in September-October to ensure purchases of grain and fodder from agricultural producers. There is a serious concern that this instruction will not be fulfilled either.

[Haydutskyy] To issue advance payments covering 50 percent of the value of agricultural goods envisaged by contracts, the Finance Ministry has allocated K49.7 trillion, or 46.5 percent of grain contract value.

To settle final accounts for grain delivered according to state contracts, the Finance Ministry issued an additional K10.6 billion over the August-October period.

A total amount of allocated money is K60.3 billion. Thus, as of today, we are in fact completing the procurement of grain to cover state loans issued to this end.

[Correspondent] Pavlo Ivanovych, many managers have failed only because they did not have like-minded colleagues. Tell me frankly: Have you come to the ministry with your team or, as they say, will you bring it with you? What is your attitude toward the saying "a new broom sweeps clean?" That is, will there be staff changes in the headquarters of the agricultural sector?

[Haydutskyy] I emphasize professionals and honest and conscientious labor, and I am going to cooperate precisely with these types of people.

I want to stress the following: I regard my work in the ministry as the implementation of principal tenets of the economic policy declared by the Ukrainian president in October 1994 and in other speeches. Therefore, I continue to work to further reform the APK as it was envisaged by programmatic objectives for 1995, its short-term and long-term versions. Hence, having analyzed the current situation, I made up my mind to obligatorily introduce specific corrections into procedures related to the implementation of reform.

[Correspondent] What do you imply by "specific corrections" of reform?

[Haydutskyy] This is primarily a targeted influence of the state on processes and developments that are taking place in the economy of the agricultural sector and the strengthening of regulatory functions of the state in the sphere of economic reform.

[Correspondent] Are you not afraid that your opponents will grab at this phrase, moreover that the Agricultural Ministry is a favorite object of criticism?

[Haydutskyy] I am responsible for my words.

[Correspondent] Our state slowly but in a measured way is moving toward the market. Success in the market, as is known, is primarily ensured by knowledge, experience, competence, entrepreneurship, and the possession of objective data — almost the most precious commodity in the economy and business — on the development of production of goods and services, as well as on price dynamics. That is, reform will be on track only when wide segments of the population master relevant knowledge. Regrettably, all of us, particularly the agricultural sector, have considerably lagged behind in establishing the a communications information market. What is being planned to resolve this issue?

[Haydutskyy] Problems in providing the APK with scientific information are extremely urgent.

First of all, supplying scientific information to both bodies that manage production sectors, ministerial offices and departments and manufacturers has not yet become systematic and organized and cannot provide leaders and experts with new information to manage the sector and deal with general management objectives.

Second, annual budget allocations to ensure the delivery of scientific information do not meet all demands and requirements of ministerial subdivisions regarding this issue. Budgetary resources — K7.6750 billion — allocated for these purposes in 1995 cover only specific measures such as seminars, meetings, conferences, congresses, symposiums, and classes to master advanced management methods, that is, each move receives up to K60 million to cover expenditures on transportation and lease of facilities. This refers equally to publishing publications for departmental use, shooting popular science films, and providing scientific information.

The money allocated to us is even insufficient for publishing most important theses and reports by leaders and experts from management structures, enterprises, and organizations.

We have plans to create a relevant structure with a single task to provide the sector with scientific information. But to do so, it is necessary to develop a project covering the systematic provision of the Ukrainian Agricultural Ministry with scientific information; name "basic" [bazovi] organizations; and increase budget expenditures on providing the sector with scientific information.

[Correspondent] Yes, the APK is still in an information vacuum. By the way, the task of our newspaper is also to break this vacuum.

[Haydutskyy] I believe it will. I am grateful to the KIYIVSKI VIDOMOSTI joint-stock company for organizing a useful and necessary publication for agricultural workers.

Moldova

President Criticizes Government for Slow Reform

*LD0811131695 Moscow INTERFAX in English
1032 GMT 8 Nov 95*

[FBIS Transcribed Text] CHISINAU, Nov 8 (Interfax) — Moldovan President Mircea Snegur has sharply criticized the government for the low rates of economic reform.

Speaking at a parliament meeting on Tuesday, which listened to the cabinet's report on January-September 1995, the Moldovan leader noted the difference between social and economic statistics and reality.

The president is dissatisfied that credits of international fiscal institutions are not received by Moldovan farmers.

Allocation of property to farmers is being slowed down, he said. "Only 2.4% of land lots belong to those who cultivate them," stressed the state head.

Snegur is also concerned with monetary privatization. "Proceeds from privatization, to be used for indexation of people's deposits and support to small businesses, have not been received," he said.

Snegur is disappointed with the government's budget policy. He opposed the transfer of the budget deficit (178 million lei — $40 million) into the state debt in the absence of a corresponding law. "In that case future governments will have to pay the debt of the current executive authorities," he noted.

Summing up his critical remarks, Snegur said he will so far "call for the fulfillment of constitutional duties of government and parliament."

Parliament took into account the government's report. A total of 14 deputies from the opposition blocs of peasants and intellectuals, and the alliance of the Christian-Democratic People's Front, voted against the parliament resolution late Tuesday night.

The opposition's proposal to initiate the government's resignation was not supported by the majority of parliament members.

Chisinau, Tiraspol Experts Consider Summit 'Premature'

*AU0911101095 Chisinau INFOTAG in English
1851 GMT 8 Nov 95*

[FBIS Transcribed Text] Chisinau, November 8 (INFOTAG) — Chisinau and Tiraspol have not yet agreed on holding the next summit. This question was discussed by the expert teams which, worked in Chisinau last Friday [3 November]. The sides have agreed that the summit is too premature yet, as too little progress has been achieved in preparing concrete propositions and variants, a Dniester official told INFOTAG.

According to him, the sides failed to bring closer their positions on principal issues last Friday. The Chisinau experts proposed a renewed variant of the draft status law, while their Tiraspol counterparts submitted their own project of building contract-based relationship between the Republic of Moldova and the Dniester Moldovan Republic. The two drafts appeared to be mutually unacceptable, and the sides failed to achieve any compromise. The only consensus they attained was that the negotiations need to be continued.

According to a Tiraspol source, the preparation for the next Snegur-Smirnov summit, to be held in the Dniester capital, is underway. However, the experts cannot boast of any ready propositions to be discussed by the leaders.

The endless postponements of the meeting is, first and foremost, due to the known serious differences which emerged between Chisinau and Tiraspol after the 13 September summit. As stipulated by earlier signed documents, such meetings, no matter their results, must be held monthly. However, during the five months, which passed after the signing of the agreement on guarantees of peace and stability, the leaders met only once.

Answering INFOTAG's question about the reasons why Tiraspol was against the roundtable conference of business circles on 2 November, the Dniester official replied: "This has no relation to the slowed negotiation progress. The chief reason is that the OSCE Permanent Mission was preparing the conference to be held in Tiraspol without having received a preliminary approval of the Tiraspol authorities."

Kazakhstan

Russia To Supply Warplanes as Compensation for Pullout

LD0811185195 Moscow INTERFAX in English 1646 GMT 8 Nov 95

[FBIS Transcribed Text] ALMATY, Nov 8 (Interfax) — Russia will supply military aircraft to Kazakhstan in November-December, First Deputy Kazakh Prime Minister Nigmatzhan Isingarin told a news conference in Almaty Wednesday.

He said that an agreement on the issue was reached during the meeting between Kazakh and Russian officials at the November 3 meeting of CIS prime ministers in Moscow.

Isingarin stressed that "the implementation of the agreement will strengthen military cooperation between Kazakhstan and Russia" and characterized it as a "breakthrough" in the bilateral relations.

He did not name the price of the contract and did not specify which aircraft will be supplied, saying just that "it will be MIGs, SUs and other planes."

The planes will be supplied as compensation for the strategic aircraft withdrawn from the territory of Kazakhstan two years ago, said Isingarin.

He said that during the Moscow talks Russia agreed to pay compensation to Kazakhstan for withdrawn nuclear missiles as well.

"We plan to sign a concrete agreement on the issue soon," he said.

Nazarbayev Appoints New National Security Chief

LD0811183595 Almaty Kazakh Radio First Program Network in Russian 1500 GMT 8 Nov 95

[FBIS Translated Text] In accordance with a decree by President Nursultan Nazarbayev, [Janisbek Muhammedkarimovich Jumanbekov], who was first deputy chairman of the National Security Committee [KNB], has been appointed KNB chairman.

In line with a decree by Nursultan Nazarbayev, Sat Besenbayevich Tokpakbayev has been appointed head of the president's bodyguard service. He was relieved of the post of KNB chairman.

The texts of the decrees are to be published in the press.

IMF To Grant $150 Million To Cover Budget Deficit

LD0811200095 Moscow INTERFAX in English 1848 GMT 8 Nov 95

[FBIS Transcribed Text] ALMATY, Nov 8 (FIA-Interfax) — The International Monetary Fund (IMF) will grant Kazakhstan the second tranche of its systemic transformation facility (STF) of $147-$150 million in early 1996 to cover the budget deficit, a source in the National Bank of Kazakhstan told Interfax's Financial Information Agency.

According to the source, a relevant agreement had been achieved during talks with a deputy director of the IMF II European division, Donald Donovan, in Almaty earlier this week. The loan will be made for three years at 7.25 percent.

Kazakhstan received the first STF trance of $50 million earlier this year. The source underlined that it had been agreed not to disclose the total amount of the facility by January 1996. However, it is already known that the facility will be paid in six tranches, two a year, by the end of 1997.

Kazakh Official on Metallurgy, Uzbek Gas Debt

LD0911121495 Almaty Kazakh Radio First Program Network in Russian 1500 GMT 8 Nov 95

[FBIS Translated Excerpt] Under market conditions the heads of regional administrations do not have the right to wait until that same market creates favorable conditions in the regions. We are obliged to work and support enterprises of all forms of property. The economy should not develop independently or be left to its own devices. Development should be of an organized nature, the republic's First Deputy Prime Minister Nigmetzhan Isingarin said, summing up the results for October at a press conference held today.

[Begin unidentified correspondent recording] Speaking about the successes achieved in stabilizing the economy, Nigmetzhan Isingarin noted that this had not yet been achieved. Inflation over ten months was 148.2 percent, a 48.2 percent increase. And non-payments for electricity and coal remain a serious problem. As of 1 November, payment arrears to the energy sector amounted to over 47 billion [currency not specified].

The deputy prime minister said: As for Uzbek gas, we should not talk about whether both parties have reached an agreement or not." The problem lies elsewhere. Uzbekistan has supplied the south of Kazakhstan with 1.945 million cubic meters of natural gas worth $97.3 million over nine months of this year. Under the protocol issued on 16 September, over nine million dollars had been credited as payment of this debt. The reason for such weak payment lies in last year's debt. In short, financial and economic issues as well as nonpayments, plus debts to railway workers, are the main concern of our government. [passage omitted] As for the situation at the Karaganda metallurgical combine:

[Begin Isingarin recording — in Russian] As of 3 November there are ready-manufactured goods worth $46 million in stock at the Karaganda metallurgical combine. However, we have now slowed down shipments, because we are in the process of revising virtually all contracts. As of today 54 contracts have been renewed, with new conditions, which I hope and I think will yield better results. [end recording]

The activity of the Isphat International firm, which has taken over the co-management of the Karaganda metallurgical combine, is under constant and tough supervision by the government.

[Begin Isingarin recording] Today the financial responsibility for the current state of affairs still rests with us, the state commission and the government. Isphat has not yet assumed financial responsibility. [end recording] [passage omitted]

Kyrgyzstan

Akayev Only Candidate Registered for Presidential Elections

LD0811171395 Moscow INTERFAX in English 1317 GMT 8 Nov 95

[FBIS Transcribed Text] BISHKEK, Nov 8 (Interfax) — Kyrgyz President Askar Akayev is the only candidate for presidency officially registered by the Central Election Commission so far.

Commission Chairman Mambetzhunus Abylov told Interfax on Wednesday that the incumbent president has collected 800,000 signatures, although "50,000 are enough for registration."

Abylov also said there are nine other candidates who are still collecting signatures. He noted that "the most active are supporters of former parliament speaker Medetkan Sherimkulov" who now works at Kyrgyz National University.

Other candidates include Kyrgyz Communist Party leader Abtamat Masaliyev, and Deputy Prime Minister in charge of agriculture, former party boss Zhumgalbek Amanbayev.

Candidates have until November 30 to collect the required number of signatures. Elections are scheduled for December 24.

Commission Calls Candidates' Statement 'Provocation'

LD0811162595 Moscow INTERFAX in English 1317 GMT 8 Nov 95

[FBIS Transcribed Text] BISHKEK, Nov 8 (Interfax) — Chairman of the Kyrgyz Central Electoral Commission Mambetzhunus Abylov described a statement by presidential candidates as "a provocation and an attempt aimed at discrediting the Commission's work" at a news conference in Bishkek Wednesday.

Kyrgyz parliament deputies Absamat Masaliyev, Yuruslan Toichubekov, Omurbek Tekebayev, Tursunbai Bakiruulu, Dooronbek Sadyrbayev and Mamat Aibalayev handed over a statement to the Central Electoral Commission on November 6. The statement says that "all the state media bodies are electioneering in favor of only one presidential candidate - Askar Akayev." According to the deputies, heads of local authorities are hampering registration of candidates. Kyrgyz presidential elections are scheduled for December 24.

"It is a deliberate slander by persons interested in presidency at a time when they have not been registered by the Central Electoral Commission," said Abylov.

If the deputies refuse to take back their statement, "which is not confirmed by any documents," the Central Electoral Commission will have to appeal to the Kyrgyz Supreme Court, said Abylov.

However, it will be very hard for the Commission to sue deputies, who have parliamentary immunity, said Abylov, adding that "deputies have recently been treating the Central Electoral Commission with contempt."

Tajikistan

Rakhmanov, Deputy Bank Head on World Bank Credits

LD0811212695 Moscow INTERFAX in English 1728 GMT 8 Nov 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Director of the World Bank's European and Central Asia Department Yukon Huang at a meeting with President Emomali Rakhmanov on Tuesday [7 November] expressed support for Dushanbe's policy of economic reforms, Rakhmanov's press secretary Davlatali Davlatov told Interfax. Huang also praised the government program of economic reforms up to the year 2000 which the parliament approved last Thursday.

The World Bank has drawn up three projects for cooperation and aid to the republic in the form of easy-term longer range loans including a $45 million loan to help update the local industry and a further $10 million and $5 million for social and farm reforms respectively. Davlatov put an annual WB credit at $50-60 million.

As he thanked the visiting official, Rakhmanov pledged his country's firm commitment to reforms.

In the meantime, Deputy Head of the National Bank Sharif Rakhimov told Interfax that training of farm and bank experts were the only two projects being drawn up as part of economic cooperation with the World Bank. The loans are to be extended at an annual 0.75% rate to be repaid in 30-35 years from now.

However, these are not forthcoming until the first tranche of an IMF credit has been granted to Dushanbe, an issue that the IMF board of directors plan to discuss on December 20.

Rakhimov said that as a loan condition, the IMF wants local bread prices, the lowest in CIS states, to be released and local currency to be kept at the rate of 160-180 local rubles per $1 instead of 270-280 rubles as now.

He said the Bank was now working over the problem. He spoke of a reversal in price rises and even a 0.5% drop in the past few days. Rakhimov said Dushanbe was also hoping to meet IMF-set demands on the local currency.

Rakhmanov Congratulates Shevardnadze on Reelection

LD0911103495 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 9 Nov 95

[FBIS Translated Text] President of the Republic of Tajikistan Emomali Rakhmanov yesterday sent the following congratulatory message to Georgian President Eduard Shevardnadze:

"Dear Eduard Ambrosiyevich, I have great pleasure in sending you sincere congratulations both on behalf of the Tajik people and from myself on the occasion of your election as president of the Republic of Georgia. We are sure that the traditional, friendly, cultural, and economic links which exist between our countries will continue to develop. I wish you health and happiness and the friendly people of Georgia further prosperity, peace and accord."

Turkmenistan

Talks Held With Iran, Kazakhstan on Caspian Sea

LD0911110295 Ashgabat TURKMEN PRESS in Russian 1655 GMT 7 Nov 95

[FBIS Translated Text] Ashgabat, 7 Nov (TURKMEN PRESS) — A joint Turkmen-Iran-Kazakh statement on the Caspian Sea issue has been the adopted after trilateral consultations which took place in the Turkmen capital today. The statement proceeds from the basis that the Caspian Sea region must remain a zone of peace, stability, friendship, and mutual trust. The participants in the meeting believe this will be promoted if the Caspian is demilitarized and if its basin is used for exclusively peaceful purposes. The document also pays considerable attention to the problem of preserving the Caspian Sea's ecosystem and making the most of its basin in terms of economic profit.

The participants in this meeting succeeded in coordinating and bringing together as far as possible the approaches to the drawing up of documents from various sectors, which in their turn will form the basis of the convention on the Caspian relating to legal issues.

Earlier consultations were held by Turkmenistan with the representatives of Azerbaijan, the Russian Federation, and Iran and took the form of a dialogue. The current trilateral meeting has been more productive in terms of agreements reached. It was decided during the meeting that Ashgabat would be the venue for a meeting of the foreign ministers of the five littoral states in December this year. According to experts, this forthcoming conference of ministers could act as a kind of boost for the finalization of the the documents forming the convention. As regards this, one more practical meeting of the heads of legal departments is scheduled for December.

In the course of the consultations the delegations of Turkmenistan, Kazakhstan, and Iran also advanced a proposal on setting up a regional organization of the Caspian littoral states, with its headquarters in Tehran.

Niyazov Condemns Erratic Food Supply to Local Consumers

LD0811193395 Moscow INTERFAX in English 1728 GMT 8 Nov 95

[From the "Presidential Bulletin" feature: compiled by Anna Kovaleva, Nikolay Zherebtsov, Andrey Petrovskiy, and Boris Yunanov]

[FBIS Transcribed Text] President Saparmurad Niyazov in a speech to the private cabinet meeting on Tuesday condemned the practice of erratic food supply to the local consumers and creating artificial food shortages, Niyazov's press office said in a report issued in Ashgabat on Wednesday.

The Turkmen leader accused the government officials concerned of ineptitude promising to pick up the issue again at the next session of parliament due next month.

The report says Niyazov who attaches great importance to food supplies to consumers has repeatedly raised the issue.

Speakers at the meeting admitted to irregular food supply in parts of the country because of irregularities by local officials. The report says the head of the bread baking plant in Ashgabat and one of his subordinates are due to be dismissed soon.

Bread prices soared up by 1,000%-2,000% in Turkmenistan from Wednesday.

Armenia

President Receives Russian Atomic Minister

NC0811165595 Yerevan Armenia's Radio First Program Network in Armenian 1500 GMT 8 Nov 95

[FBIS Translated Text] Armenian President Levon Ter-Petrosyan today received a Russian Atomic Energy Ministry delegation headed by Minister Viktor Mikhaylov. The delegation is visiting Yerevan in connection with the recommissioning of the Armenian nuclear power plant.

In greeting the guests, Levon Ter-Petrosyan highly assessed the political, scientific-technical, and financial assistance shown by Russia, thanks to which the Armenian nuclear plant was recommissioned, a practice without precedent. The Armenian president noted that the nuclear energy field is the bridge that links the two countries' scientific skills and supported the furthering of cooperation in that field.

Russian Atomic Energy Minister Viktor Mikhaylov considered as a matter of honor the great service rendered by the Armenian and Russian nuclear scientists in recommissioning the nuclear plant, a practice without a precedent. He also mentioned the expert qualifications of Armenian specialists and assured them that cooperation with Russian specialists will continue in the future.

Viktor Mikhaylov presented the Armenian president with an honorary diploma of nuclear specialist of Russia.

Armenian Energy Minister Gagik Martirosyan, Russian Ambassador to Armenia Andrey Urnov, and other officials attended the meeting.

Minister Visits Nuclear Power Station

LD0811224695 Moscow Radio Rossii Network in Russian 2000 GMT 8 Nov 95

[FBIS Translated Text] Russian Atomic Energy Minister Viktor Mikhaylov today visited the Armyanskaya AES [Nuclear Electric Power Station]. Our correspondent in Yerevan Dmitriy Pisarenko has the details:

[Pisarenko] The Russian minister highly assessed the level of safety of the Armenian nuclear power station. He said that Russia has nine similar stations, which account for 12 percent of the electricity generated in the country.

Mikhaylov regarded the relaunching of the mothballed reactor of the Armyanskaya AES as a great event in his life, as this is a first in the history of nuclear power engineering. Nevertheless, it was noted that the AES is not a testing range. Despite this being an important event, the relaunching of the station was not celebrated as a national holiday in Armenia. The population and industry are insolvent, hence a certain ceiling on the supply of electricity: only eight hours per day.

Moreover, the state itself owes Russia a debt of 47 billion rubles, as the restoration work was carried out through a Russian loan.

At the concluding news conference in Yerevan, Minister Mikhaylov noted that a year from now the commissioning of another reactor of the Armyanskaya AES will become a reality. Nevertheless, the AES will not last forever. It will be able to operate no more than 18 years. Therefore, approximately 10 years from now the construction of a nuclear power station will start near Yerevan under a joint Armenian-German-Russian project.

Protocol on Nuclear Plant Commissioning

NC0811194895 Yerevan Armenia's Radio First Program Network in Armenian 1500 GMT 8 Nov 95

[FBIS Translated Excerpt] The Russian Atomic Energy Minister Viktor Mikhaylov and the Armenian Energy Minister Gagik Martirosian held a news conference today at the government guest house. Our correspondent Anush Harutyunyan was there.

[Begin recording] [Harutyunyan] A delegation of the Russian energy specialists headed by the Russian Atomic Energy Minister Viktor Mikhaylov has been visiting Armenia for the past two days at the invitation of the Armenian Government.

The delegation arrived in Yerevan in connection with the commissioning of the Armenian nuclear plant. As you already know, an agreement was signed on 17 March 1993 on the commissioning of the second energy block. Every safety regulation was ensured during the commissioning of the second energy block.

The Armenian Energy Minister Gagik Martirosyan spoke on the Russian Government's political, scientific-technical, and financial assistance. He also discussed aid rendered for the commissioning of the nuclear plant since the signing of the agreement. The aid will continue in 1996 and 1997. [passage omitted] Catholicos of all the Armenians Garegin I received the delegation of Russian energy specialists in Echmiadzin today.

At a ceremony afterwards at the Armenian nuclear plant, Armenian Prime Minister Grant Bagratyan presented medals and citations to the members of the delegation.

A protocol on commissioning the nuclear plant was signed at 1600 today by the Russian atomic energy minister and the Armenian energy minister. [end recording]

OSCE Group Visiting Karabakh on Troop Deployment

NC0911071795 Yerevan Armenia's Radio First Program Network in Armenian 1500 GMT 8 Nov 95

[FBIS Translated Text] A group of field assistants to the personal representative of the acting chairman of the OSCE, headed by Austrian Norbert (Baldia), arrived in Stepanakert last night.

The Nagorno-Karabakh Republic [NKR] Foreign Ministry reported that the delegation, which included the British and Russian representatives Alan (Bartia) and Aleksandr Vasiliyev, held meetings at the NKR Foreign and Defense Ministries and with International Red Cross officials. The issue of [word indistinct] deployment of the international disengagement forces in the region after the signing of the major political agreement was discussed.

The group is also planning to tour the confrontation line during the visit.

Parliament Approves Law on Administrative Division

NC0811143295 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0700 GMT 8 Nov 95

[FBIS Transcribed Text] Yerevan ("AZG" daily), 11/08/95—The parliament accepted the law "About Administrative Division of Armenia" on 7 November.

Discussion of the law was held at closed doors, as proposed by Khosrov Harutyunyan, and supported by Ed. Yegoryan and Ter-Husik Lazaryan. According to the law, the Republic of Armenia is divided into 10 provinces plus the city of Yerevan, which has an equal status of a province.

Administrative units of ROA [Republic of Armenia] are provinces, communities, city of Yerevan and its district communities. State administration will be established in provinces and Yerevan, local self administration - in communities.

Hence, instead of the former 37 districts, Armenia will be divided in 10 + 1 provinces:

Province	Province center
Syunik	Kapan
Vayots dzor [Vayk]	Yeghegnadzor
Ararat	Artashat
Armavir	Armavir
Aragatsotn	Ashtarak
Kotayk	Hrazdan
Gegharkunik	Gavar
Shirak	Gyumri
Gugark	Vanadzor
Utik	Ijevan

168 deputies participated in voting. 82 have voted pro, 39 - con, and 32 refrained. According to AZG, the leading political force, ANM [Armenian Pannational Movement] party, have thus gained absolute power for local self-administration, if there are no contradictions in the relations with the Prime Minister since, according to the Constitution, province administrators are assigned and released by the government.

Azerbaijan

Aliyev Discusses Elections With Democracy Institute Head

NC0811203195 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 8 Nov 95

[FBIS Translated Text] Azerbaijani President Geydar Aliyev today received Nelson Ledsky, director of the American National Democracy Institute. Bashir Sherifov provides details of the meeting:

[Begin recording] [Sherifov] The Azerbaijani president noted the following during the conversation: I remember well our meeting in New York some days ago. The visit by the head of a national democracy institute of an advanced country on the eve of elections is commendable in that the international observers' presence creates full guarantees for a democratic political campaign. It also helps timely correction of mistakes and the learning of democratic traditions. Preparations for the elections have entered their final phase, and we want the international observers to freely follow all the processes. We only stand to gain from this.

In his turn, Nelson Ledsky said: Four of my colleagues have been active in our institute's office in Azerbaijan for the last two months. Within a short period they managed to meet and talk with representatives of the eight parties running in the parliamentary elections in Azerbaijan. We know that democracy cannot be measured by the results of one election. That is why this great tradition should be carefully learned and applied, and I believe that the mistakes in Armenia, Georgia, and other CIS countries will not be repeated during the elections to the Azerbaijani parliament.

At the end of the meeting the Azerbaijani president said:

[Aliyev] We are proceeding along the path of democracy. We want to establish a democratic, law-based, and secular state in our country. We want to fully democratize our society. In theory, we have sufficient knowledge of these. However, undoubtedly implementing them is far more difficult than this theoretical knowledge. And here our path is not so easy. Therefore, we want you to be here.

If we really had no desire to proceed along the democratic path, and I know there are countries that have alienated themselves from democracy, I would not have requested you to come here. Because we are approaching this job sincerely, we realize that we certainly have shortcomings and have made mistakes and that there are some anti-democratic people and conservatives. All these exist. We need support to fight all these, eliminate all these defects, and to genuinely advance democracy.

Therefore, it will help us for you to point out, no matter where and at what level, all our faults observed during your inquiry. It is especially helpful for me as a president, for I do not believe that everybody thinks like I do. I do not think even my close colleagues are ready to follow what I wish. And I assume that some people working with me or in our executive bodies accept what I say but sometimes interpret it their own way. Therefore, I think that you should be here as a sort of supervisory body for me. And do not hesitate to inform me at any time about things that I do not see or hear.

[Sherifov] Azerbaijani President Geydar Aliyev, who emphasized such frank talk and joint correction of mistakes, highly assessed this meeting. He also sincerely accepted a proposal from Nelson Ledsky to address the nation in the coming days and call on all to vote in the parliamentary elections and on the constitutional referendum. Indeed, at this stage there is a great need for such an influential and wise call. [end recording]

Interior Minister Blames Coup Attempts on Past Leadership

LD0811125595 Moscow INTERFAX in English 1032 GMT 8 Nov 95

[FBIS Transcribed Text] BAKU, Nov 8 (Interfax) — Azerbaijani Interior Minister Ramil Usubov blames the 1994 and 1995 coup attempts in Azerbaijan on the former leadership of this Trans-Caucasian republic.

Conspiracies to topple the government were designed and staged by former President Ayaz Mutalibov, former Prime Minister Surat Guseynov, former Azerbaijani party boss Abdurakhman Vezirov and former Deputy Interior Minister Rovshan Dzhavadov's brother Makhir Dzhavadov, Usubov said during his appearance on national television on Tuesday.

The minister provided some details of several attempts on the life of incumbent President Geydar Aliyev. He said that during Ukrainian President Leonid Kuchma's visit to Azerbaijan in July 1995, terrorists planned to blow up a bridge under which the convoy of cars carrying the leaders of the two countries was due to pass.

After that, the president's enemies tried to down the plane in which Aliyev was returning home from one of his foreign visits. Usubov claimed they intended to use a heat-guided missile.

"It was sheer luck that these plans were never carried out. Each of them was intended as a signal that a coup is coming," he said.

According to Usubov, the conspiracies were prepared with the participation of two former high-ranking Defense Ministry officers, General Vakhid Musayev and General Shakhin Musayev.

Attempt To Kill Aliyev, Ukraine's Kuchma

LD0911095795 Kiev UNIAR in Ukrainian 0830 GMT 9 Nov 95

[FBIS Translated Text] Azerbaijan [no date as received] — In a speech on national television on 7 November, Azeri Interior Minister Ramil Usubov admitted that during a visit to Azerbaijan by Ukrainian President Leonid Kuchma in July this year terrorists planned to blow up a bridge which was to have been crossed by the Ukrainian leader and Azeri President Geydar Aliyev.

The minister also named the organizers of the attempted coup of 1994-1995; they included former Azeri President Ayaz Mutalibov and former Prime Minister Guseynov. The minister added that luck put an stop to these plans.

At the same time, Mutalibov and other opposition leaders have denied involvement in preparing any terrorist actions against Aliyev.

Russian Experts on Cause of Baku Metro Fire

MM0811162995 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 95 p 2

[ITAR-TASS report: "Baku Metro: New Version"]

[FBIS Translated Text] Russian experts are not ruling out the possibility that the fire in the Baku metro had an external cause. This point of view was expressed yesterday by Yuriy Soldatov, deputy general director of the "Metrovagonmash" joint-stock company, at a government conference held under the chairmanship of Russian Federation First Vice Premier Oleg Soskovets, ITAR-TASS reports.

Yu. Soldatov established that the work done by many services following the fire was unsatisfactory. For instance, the fire brigades arrived only after 45 minutes.

Having examined the burned-out carriages, he noted, the Russian experts discovered that the safety valves in them were of a substandard quality. As far as the engine of the stricken train was concerned, there were no differences of opinion here — it was in good working order. At the same time, the deputy general director noted that the Russian commission had not been presented with necessary documents, that is, full information about the stricken cars and logbooks.

Georgia

Shevardnadze Says IMF, World Bank Plan To Be Followed

LD0811190895 Moscow INTERFAX in English 1646 GMT 8 Nov 95

[FBIS Transcribed Text] TBILISI, Nov 8 (Interfax) — In the future Georgia will follow recommendations of the International Monetary Fund and World Bank while implementing reforms, President-elect Eduard Shevardnadze said.

At the same time he noted in an interview with Interfax that IMF recommendations "should be slightly corrected, bearing in mind local conditions."

Georgia will continue a tough financial policy despite the promise to raise the minimum wage by 50-60 percent, Shevardnadze said. Currently it amounts only to several American dollars.

The republic's authorities will not adopt "cheap, populist decisions," Shevardnadze continued, in particular, an ungrounded wage increase, because it can cause inflation growth. "One should speak not about money supply but about its purchasing ability," he noted.

To date Georgia has received credits worth $197 million to support national currency. In addition, from the beginning of 1994 the World Bank has granted three low-interest loans amounting $103 million.

Shevardnadze Favors 'Last Attempt' To Settle Abkhaz Issue

LD0811192095 Moscow INTERFAX in English 1649 GMT 8 Nov 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] TBILISI, Nov 8 (Interfax) — Newly-elected Georgian President Eduard Shevardnadze said he will raise the question of changing the mandate of CIS peace-makers in Abkhazia to give them police functions at a Commonwealth summit in January.

"This would mean the creation of military command offices for peace-makers in all areas where Georgian refugees have returned, to ensure the safety of returned refugees," Shevardnadze told an exclusive Interfax interview Wednesday

Shevardnadze said this it would be the last attempt by Georgia to settle the Abkhazian problem with mediation by Russia and the CIS. The four previous attempts have failed, noted Shevardnadze. "If this attempt fails again, Georgia will settle the problem on its own," he added.

In the Georgian leader's opinion, free elections could be held in Abkhazia some time after the return of refugees.

Commenting on settlement in Southern Ossetia, Shevardnadze noted the need to boost the local peace process. He stressed North Ossetian President Akhsarbek Galazov's special positive role in South Ossetian settlement.

"I think everyone in Russia has made sure: One cannot support a separatist regime in a neighboring state and fight against a similar regime in one's country," stressed Shevardnadze.

Sides Take 'Tougher Stands' at Peace Talks

LD0811202695 Moscow INTERFAX in English 1649 GMT 8 Nov 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Nov 8 (Interfax) — The Georgian and Abkhazian delegations took tougher stands than before at the Russia-sponsored bilateral peace talks in Moscow, a source in the Russian Foreign Ministry told Interfax Wednesday.

The current round of talks launched last week is "going very hard," he added.

The fiercest debate is about two fundamental issues: constitutional relations between Georgia and Abkhazia and repatriation of refugees.

"Sukhumi insists on being equal with Tbilisi, while Georgia supports preserving a federative state," the diplomat said.

The source stressed that Russian mediators intend to direct the sides at solving issues of the intermediate period in the settlement of bilateral relations rather than at defining Abkhazia's status in details.

Russian mediators insist on the need to debouch Georgian-Abkhazian border, ensure repatriation of Georgian refugees to their permanent locations and launch repairs in Abkhazia.

As for Abkhazia's status, Moscow proposes separate talks on power sharing between Tbilisi and Sukhumi.

This proposal does not mean Russia's position has changed, because the basic principle of Georgia's territorial integrity is not liable to revision, the diplomat added.

Shevardnadze, Officials Discuss Oil Consortium

LD0811174195 Tbilisi IBERIA in Georgian 1520 GMT 8 Nov 95

[FBIS Translated Text] Tbilisi, 8 Nov — Georgian President Eduard Shevardnadze met Terry Adams, chairman of the international oil consortium; Natik Aliyev, president of the Azerbaijani state oil company; and Georgian Ambassador to Azerbaijan Giorgi Chanturia on 8 November.

The meeting was held behind closed doors.

After the meeting, representatives of the consortium held a news conference. They said that preparations had been completed and actual implementation of the project would be beginning shortly.

Some $238 million is needed to restore an old oil pipeline from the Caspian Sea to Supsa and build new terminals. Georgia will not make any payments because of the lack of means. All the expenses will be covered by the consortium.

The participants in the news conference said that Georgia will be getting high annual revenues. In addition, the existing infrastructure will develop, local resources as well as local labor force will be used, and this will result in the rise of the living standards.

Answering a question by an IBERIA correspondent whether the consortium is considering one of the routes as more advantageous for transporting the major portion of oil, Terry Adams said that a resolution of the issue would be taken in the near future. A team of experts is working on the issue, which will take an ultimate decision after considering technical, economical, and ecological aspects of the project.

Central Electoral Commission Issues Further Results

LD0811194995 Tbilisi First Program Television Network in Georgian 1600 GMT 8 Nov 95

[FBIS Translated Excerpt] Representatives of the Central Electoral Commission held a news conference at the conference hall of the SAKINFORM news agency today.

It is the third news conference held by the Central Electoral Commission since election day [5 November]. [passage omitted]

Ivane Kighuredze, the chairman of the Central Electoral Commission, acquainted the journalists with preliminary results of the presidential and parliament elections.

Altogether 2,134,308 electors voted in 75 constituencies. Of those, 8,217 cast their ballots for Roin Liparteliani, that is, 0.4 percent of the total number; 30,609, 1.4 percent voted for Akaki Bakradze; 406,929, 19.1 percent voted for Jumber Patiashvili; 10,223, 0.5 percent voted for Panteleimon Giorgadze; 1,555,390, 72.9 percent voted for Eduard Shevardnadze; 10,046, 0.5 percent voted for Kartlos Gharibashvili. [passage omitted]

Kighuradze also spoke about preliminary results of the parliament election by party lists. Out of 3,054,000 eligible electors, 2,088,000 participated in voting. The Union of Citizens of Georgia received 494,990 votes, 23.35 percent; the National Democratic Party received 168,360 votes, 7.94 percent; the Union of Georgia's Revival received 149,018, 7.3 percent. The other parties failed to pass the 5 percent limit.

Gia Zetsashvili, the deputy chairman of the commission, spoke about preliminary results of the first-past-the-post election. The election was not held in only one out of 75 constituencies. This happened in the Rustavi [eastern Georgia] constituency because of a low turnout. In his view, the election in Rustavi will be held in the spring.

According to preliminary reports from other constituencies, 33 members of parliament have already been elected. The second round of the parliament election will be held in 41 constituencies on 19 November. [passage omitted]

Estonia

Meri Outlines Foreign Policy Goals, Leaves for Iceland

LD0811194195 Moscow INTERFAX in English 1728 GMT 8 Nov 95

[From the "Presidential Bulletin" feature: compiled by Anna Kovaleva, Nikolay Zherebtsov, Andrey Petrovskiy, and Boris Yunanov]

[FBIS Transcribed Text] President Lennart Meri said he believed that in the foreign policy area the new cabinet of ministers should aim at speeding up Estonia's joining the European Union and the country's rapprochement with NATO.

IF Note: The new cabinet is led by Prime Minister Tiit Vahi. The cabinet was formed on the basis of three parties and blocs: the Coalition Party (which has six ministers in the new cabinet, including the prime minister), the Party of Reforms (six ministers, including the first deputy prime minister, who is also the foreign minister) and the bloc which embraces the Agrarian Union and the Union of Pensioners and Families (three ministers). No women grace the new cabinet. Seven out of the 15 ministers in the new cabinet, including the prime minister, were part of the previous government.

The previous cabinet resigned on October 12 over the so-called "wire-tapping" scandal. Interior Minister Edgar Savisaar was then accused of ordering illegal tapping of telephone talks between the country's leading politicians.

Meri welcomed the new cabinet which was sworn in by the parliament last Monday. "We will have to rely on our own political will," he said. He said Estonia, Latvia and Lithuania were a symbol of democracy which "could not be drowned in blood" likening them to "free Berlin" of the cold-war epoch.

"If the state and the people manage to draw conclusions from the errors of the year 1939 and the people show a firm intention to defend their state, we will never remain alone," Meri said.

"We should definitely explain to ourselves, our neighbors and the whole world that we are ready to defend our freedom and democracy with weapons in hand. We should show readiness to continue the dynamic way which brought us to the avant-garde of the reformed countries of Central and East Europe," Meri said.

Meri said U.S. Vice President Albert Gore had expressed support of Estonia's independence during Meri's recent visit to the U.S. "We were urged to move more bravely towards achieving our foreign policy goals and joining the European Union and NATO," Meri said.

Meri said Estonia's independence should be based on a "solid economy." He urged the new cabinet to accelerate land reform and privatization and attract more foreign investments.

Prime Minister Tiit Vahi left for Iceland for a four-day official visit Wednesday.

The cabinet's press service told Interfax that Vahi would meet with Icelandic Parliament Speaker Olafur G Einarsson and Prime Minister David Oddsson. Icelandic President Vigdis Finnbogadottir will receive the Estonian prime minister.

Estonia and Iceland will discuss the establishment of a free travel regime, enlargement of bilateral trade-economic relations and the signing of an agreement on mutual protection of investments.

During the visit, Vahi will be accompanied by Economics Minister Andres Lipstok and Deputy Foreign Minister Priit Koldre.

IF Note: Iceland was one of the first Western countries to recognize Estonia's independence on August 24, 1991. Up to now, economic cooperation between the two countries has been insignificant. Six firms with partial Icelandic ownership are acting in Estonia. Iceland has invested in the Estonian economy 5.4 million kroon and holds 29th place in terms of investment in Estonia.

Latvia

President Ulmanis Addresses Saeima

LD0811004495 Riga Radio Riga Network in Latvian 1002 GMT 7 Nov 95

[Speech by President Guntis Ulmanis at opening session of the sixth Saeima in Riga — live]

[FBIS Translated Excerpt] Highly esteemed leader of the Saeima session, esteemed deputies of the sixth Saiema, your excellencies, ladies and gentlemen, I greet you on the opening day of the new, sixth Saeima. This is the second democratically elected Saeima of our restored independent country. It has come about as a testimony of the will of the citizens of our Latvian state, and is called upon to fulfill this will, in creating a living link between society and its main legislator, parliament. The institution of the state president cooperated efficiently with the previous Saeima, and I am convinced that it will continue to do so. In addressing you today, I want to share my thoughts about how I see Latvia today and how I see its future. [passage omitted]

Our entire society, the old and the young generation, understands that what awaits us are transformations, and the nation's fundamental decision: for or against? In fact our society must once more attend the old school course, in education about the homeland as well as in education about what the modern world is like and what Europe is today. It must unfortunately be said that here we do not have access to the textbooks, and we lack qualified teachers. Nor at present do we have mature basic attitudes and detailed plans of action. It seems to me that we do not have a sufficiently well prepared ideology for building Latvia — a philosophy of our own with which we can securely take part in the common European dialogue. Yet meanwhile Europe is moving forward rapidly, and to put it figuratively, we have to catch a train that is already moving. The new arrangement of forces in Europe, whose contours began to be formed after the Cold War, is being outlined ever more clearly, The political decisions about the expansion of the EU and NATO, to take new member states into their organizations, offer an adequate response to the changes in the geopolitical situation. In my opinion this indicates that Europe, in this architecture, is settling down into a new balance, and here I perceive a favorable international context, and an important precondition, for the future development of Latvia. [passage omitted]

I would like to make this general thesis a little more specific, to touch on some individual issues that are fundamental for Latvia. A decisive role in politics will in my opinion be played by several factors in peace activities. It is, first, a question of defining Latvia's national interests, and the desire to realise these interests consistently. As it approaches the EU, Latvia is coming more and more into contact with the need to willingly and independently limit these interests, delegating some of its national sovereignty to this and to other international organizations. Of special significance will be uninterrupted and correct dialogue with Russia, so as to keep up this dialogue which is so difficult for both sides. To find a fruitful balance for this mutual tension of political factors is both a task and a challenge to the creative and diplomatic abilities of our politicians. I am convinced that the sixth Saeima will definitely make a significant investment in executing this task. It is of importance to continue the work just begun in the Saeima Commission on European Affairs. Integration into the international structures of Europe is crucial for Latvia. Just as important seems to me the question of our nation's self- awareness. [passage omitted]

Of special significance seems to me the country's security, also in the military sense. What is peculiar to the situation is that our country can only have small armed forces. Yet, just as with the other countries of the Baltic region and Europe, Latvia's chief desire is not to allow conflicts of various origins to be resolved militarily. [passage omitted]

There is still no prepared, considered, and convincing perspective for Latvia's agriculture, and for some of its industry. A crucial requirement here is foreign investment, which can promote and accelerate the structural reform of the Latvian economy. Hitherto there has been too little of this investment in Latvia. Potentially it could lead to a certain stagnation in the economic structure of Latvia, which has still not attained the desirable dynamism. It seems to me that the question of whether Latvia wants to attract investments from industrially more developed countries is to a large extent after all a political one, and lies within the Saeima's competence. In the West there are clear opportunities and an unambiguous desire to invest, but let us not forget that they have other opportunities to do this in other central and east European countries and in other regions of the world. I believe that this question could be one of the Saeima's priorities. By the appropriate legislative measures a basis must be created for the attraction of uninterrupted investment. We must not be satisfied just with particular projects that have been realized. I observe with pleasure that Latvia is starting more and more to understand the demands and expectations of its Western partners in dialogue. That is why the work begun must definitely be continued so that social and business contacts with foreign partners will become less bureaucratic, so that no artificial barriers are placed in their way.

The task of a parliament has always been to think about the long-term development of the country. Although so many spheres in Latvia are even now dominated by short-term thinking, I still hope that the Saeima, acting with a clear purpose, will be able to grasp Latvia's development in a broad context, and will not give in to populist temptations to adopt easy and popular resolutions. We have already found for ourselves that reforms are never popular. They always require a strong political will. Only that way can there be real security and an economic basis for prosperity in the longer term.

The government and the political parties which are represented here today have recently expressed their positive attitude toward the issue of Latvia's movement towards the EU. We officially submitted Latvia's application to join this collective organization. That is a responsible step and the new Saeima will in practice have to shape its work bearing in mind this concept, which is so significant at the international level.

A citizenship law, which has been approved by various international institutions, is in effect in Latvia. Becoming a member of the EU, we will also encounter the problem which is already topical in that organization — the problem concerning the level of elections in which noncitizens of a country would have the right to take part — elections to local government, the Saeima of Latvia, or elections to the parliament of the EU.

A serious issue with which Latvia will have to be concerned at least indirectly during the work of the sixth Saeima will be the future development of the monetary union in the EU — what does the fact that a unified European currency might be introduced in the EU mean for the lats? I am convinced that the Saeima, especially when drafting the state budget, has to bear in mind the fact that the EU has rather strict requirements in this sphere as well and it would definitely be necessary to begin to try to comply with them immediately.

With the country's integration into the EU, the EU legislative norms have to be worked into the system of national legislation. I have recently been increasingly overcome by doubts as to whether Latvian legislators and lawyers are ready for this extremely voluminous work. In my opinion, the sixth Saeima should think immediately about priorities in this sphere. Particularly good coordination of the work of the Saeima, government, and president will be needed to tackle this complex task.

I am also convinced that the guaranteeing of the rights of the Latvian people and their personal security will be one of the constant concerns of this Saeima. Organized crime as social vice also disturbs Latvia. In addition, it has long since become international. That is exactly why caution has to be increased; more attention should also be paid to ensuring that services guarding Latvian law and the security of its people cooperate professionally with corresponding foreign institutions and, first of all, with those of the EU countries.

In the context of the EU, in my opinion, further improvement and strengthening of the system of institutions of democracy becomes one of the priorities. We have to apply every effort to develop local government in our country. The EU philosophy is such that all decisions have to be made at the lowest level. In this connection the sixth Saeima has to have its priorities right in building our country. That will help overcome the alienation of the Latvian people from the process of the transformation of the country and get them involved in the mechanism of the state power and administration.

I am calling on the deputies of the sixth Saeima today actively to promote and cultivate a dialogue with the public. The development of the national economy and social and educational reforms deeply disturb and concern all the Latvian people. Openness has to become one of the leading principles in Latvia's political dialogue. Openness, in its turn, will promote personal initiative and the work of nongovernmental organizations.

There have recently been ideas here and there that it would be better and more correct to make decisions within a circle of a few but particularly competent officials. It has to be said that I cannot agree with that — even more, I am satisfied that we included in the declaration signed by political parties on 14 October a requirement concerning a referendum on the issue of joining the EU. This principle is completely correct. The decision-making mechanism should be transparent. That includes two requirements — the state power should have to be brought closer to the people and politicians should promote the development of public initiative.

The ability to carry out a substantiated dialogue is one of the fundamental values of our world. We often refer to the fact that only five years have passed since the restoration of independence and rather significant laws have been adopted in this time. However, one should agree with the opinion that some of the laws, due to their shortcomings, do not work properly in reality and do not ensure the tackling of problems. Therefore, I am prepared in the future to exercise my constitutional rights in the legislative process much more extensively than before.

A good legislative basis has been created for the reform process in Latvia and I think that we can be truly proud of that. It gives the parliament the opportunity to continue the work which has been started productively and I think that that is exactly what the Latvian people are expecting from the sixth Saeima.

Revolutionary changes like those of several years ago when it was necessary to pull down a great many things are no longer needed. There is no basis for worries when people change in the Saeima building. It is more important that the Saeima itself, as a cornerstone of the system of Latvian democracy, remains stable.

Before everyone's eyes Latvia is today evolving as a state and society based on a normal and gradual development. In the same way as in old Western democracies, democracy is developing and growing in Latvia as well. Without doubt, the Constitution as the basic law of our country will be developing and improving and the institution of state president as a significant part of democracy will be developing and improving as well.

I am convinced that the Saeima deputies, among whom there are many prominent and knowledgeable people with great practical and political experience, will continue on the road of reforms which has been begun, further shaping a democratic and European welfare state.

I wish you today creative work in the three years of the Saeima, which will require much strength and much sacrifice from you. I invite you now to make this sacrifice for the benefit of the people and the state. I also wish everyone of you personally success and development. Thank you.

Lithuania

Maritime Border Agreements With Latvia Abolished

LD0811154595 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 8 Nov 95

[FBIS Translated Text] The Lithuanian Ministry of Foreign Affairs declared on behalf of the [Lithuanian] Government that Lithuania is no longer bound by any of proposals or documents, which have been previously made in any form, in words or in writing, in its negotiations with Latvia on the delimitation of the maritime border, the economic zone, or the continental shelf in the Baltic Sea. It is said in the Note of the Lithuanian Ministry of Foreign Affairs, which was handed to Alberts Sarkanis, Latvia's ambassador to Vilnius.

Answering a question from the BALTIC NEWS SERVICE about whether the denouncing of previously existing proposals is also applicable to the [secret] Maisiagala memorandum which was signed by the presidents of the two countries this summer, Lithuanian Deputy Foreign Minister Albinas Januska answered in the positive.

The Lithuanian Note says that Latvia, which signed contracts with Amoco of the United States and OPAB of Sweden on oil exploration on the disputed part of the Baltic Shelf, did not take into consideration the repeated and legitimate protests of Lithuania against such unilateral activities by Latvia. According to the Lithuanian Ministry of Foreign Affairs, by taking these steps Latvia violated Lithuania's sovereign right to its continental shelf and the resources it contains, the internationally recognized principle of maritime law which prescribes that one country shall not, by unilateral action, endanger the final agreement of the parties on delimitation, and the treaty of friendship and cooperation between Lithuania, Estonia, and Latvia.

The Note declares that the northern boundary of Lithuania's maritime territory, exclusive economic zone, and continental shelf in the Baltic Sea constitutes a straight line from the point of intersection between the Lithuanian and the Latvian land border and the Baltic Sea shore to the point where a geographical parallel of 56 degrees, 7 minutes, and 35 seconds crosses a boundary of the continental shelf of a third country in the Baltic Sea. Any actions by the third country performed in the territories to the south of that boundary do not and will not impose any legal consequences, the Lithuanian Ministry of Foreign Affairs declared.

According to the Note, that part of Latvia's license contract with the Amoco and OPAB oil companies that touches the already described territory of the Baltic Sea is not legitimate, cannot have and does not have any legal consequences and therefore is null and void.

At the same time the Lithuanian Ministry of Foreign Affairs expresses a belief that the problems which have occurred due to Latvia's unilateral actions are only temporary and will not hamper the further development of relations between the two countries in the spirit of Baltic solidarity and in increasing mutual trust and cooperation in the course of integration into European and trans-Atlantic institutions. Lithuania declares that it is ready to solve all problems in the spirit of friendship and goodwill and that it strives for a just delimitation of maritime territory, economic zone, and the continental shelf in the Baltic Sea.

Lithuania hopes that the Latvian Government will take into consideration the proposal by the Lithuanian and Latvian presidents on joint exploration of natural resources in the delimitation zone.

The Ministry of Foreign Affairs declares that the Lithuanian ambassador to Latvia, who was recalled for consultations last week, will return to his duties in Riga in the near future.

Prime Minister Discusses Oil Conflict With Latvia

LD0811174995 Vilnius Radio Vilnius Network in Lithuanian 0830 GMT 8 Nov 95

[Interview with Prime Minister Adolfas Slezevicius by Adolfas Drungilas; place and date not given — recorded]

[FBIS Translated Excerpt] [passage omitted] [Drungilas] Do we have any oil deposits that are on our territory, or are they all on territories disputed with Russia's Kaliningrad Region and Latvia?

[Slezevicius] It is difficult to assess the oil deposits that we have on our territory, since the precise figures can be given only after relevant exploration work is completed. Furthermore, neither our maritime border with Russia nor the one with Latvia has been delimited yet. However, a preliminary estimate of oil deposits in the Baltic Shelf amounts to between 30-50 millions tonnes. There are approximately 10 sites on the shelf located for potential oil exploration and extraction.

Our negotiations with Latvia on maritime border is now the most acute issue, as is the contract which has been signed by Latvia with Texaco, pardon me, Amoco of the United States. It is obvious that this position of the Latvians damages our economic interests, that is why the Foreign Ministry is preparing a statement to this effect, which will be announced shortly.

[Drungilas] The president has also (?urged) that such statement should be made, has he not?

[Slezevicius] Certainly, because the president, according to our Constitution, is the supreme coordinator of our foreign policy. It is obvious that the president cannot ignore these issues. I also happened to take part in two meetings on this issue. The coordination of the text of this statement is about to be completed, and thereby the official stance of our state on this issue will be voiced. [passage omitted]

Brazauskas, Ulmanis Will Not Meet This Weekend

LD0811214095 Moscow INTERFAX in English 1848 GMT 8 Nov 95

[FBIS Transcribed Text] VILNIUS, Nov 8 (Interfax) — A working meeting of the Lithuanian and Latvian presidents earlier scheduled for this weekend will not be held, Lithuanian Presidential Press Secretary Lidija Sabajevaite told Interfax Wednesday.

According to Sabajevaite, the meeting was cancelled due to the Latvian president's tight schedule because of the formation of the republic's new government.

Prior to this, Lithuanian President Algirdas Brazauskas stated he had agreed with his Latvian counterpart, Guntis Ulmanis, over the telephone to meet this weekend.

According to Brazauskas, the meeting was to promote settlement of recently aggravated bilateral relations in the wake of Latvia's signing a contract with U.S. Amoco and Sweden's OPAB on prospecting for exploration of oil fields on the Baltic shelf.

Lithuania recalled its ambassador in Riga "for consultations" as a response step.

Both Lithuania and Latvia lay claims on the Baltic shelf. However, no prospecting works have been carried out, as the three-year talks on demarcation of bilateral maritime border have proved fruitless.

Brazauskas said Ulmanis had promised to send a group of experts to Vilnius by the end of this week to clarify some issues arising as a result of the contract. At the same time, the Lithuanian Foreign Ministry told Interfax Wednesday that the experts' visit was "unlikely."

The ministry is expected to make a statement on the situation emerged later this evening.

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